



Third Taxing District

2 Second Street
East Norwalk, CT 06855

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Third Taxing District of the City of Norwalk

Commission Meeting

Monday, May 24, 2021 at 6:30p.m.

Meeting to be Held Via ZOOM and/or Phone Conference

ZOOM: Meeting ID – 987 4213 0312; PW – 933284

OR Phone: 929-205-6099; ID: 987 4213 0312; PW: 933284

1. Public Comment – 15 Minute Limit
2. Minutes of Meeting –April 26, 2021 Regular Meeting – A/R (Pgs. 1-6)
3. Discussion/Analysis of Financial Statements/Key Performance Indicators (Pgs. 7-14)
4. Patriot Bank – Line of Credit Renewal (Pgs. 15-36)
5. General Manager's Report
6. Executive Session
 - Real Estate – 213 East Avenue – CGS-1-200(6)(B) & CGS-1-200(6)(D)
7. Adjourn

*A/R – Action Required/See Attached Motion

Agenda backup material is available at the TTD office, www.ttd.gov and will be available at the meeting.

M:\Shared\ Commission Meeting Information\Agenda 5-24-2021.doc

District Commissioners

Johnnie Mae Weldon
Pamela Parkington
Michele Sweeney

203-216-2652
203-858-4261
203-820-3107

Chairperson
Commissioner
Commissioner

Kevin Barber
Ron Scofield
Read Auerbach

203-866-9271
203-866-9271
203-451-7047

General Manager
Assistant General Manager
Treasurer

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THIRD TAXING DISTRICT
of the City of Norwalk
ZOOM/Telephonic Commission Meeting
April 26, 2021

ATTENDANCE: Commissioners: Johnnie Mae Weldon, Chair; Pamela Parkington;
Michele Sweeney

STAFF: Kevin Barber, General Manager;
Ron Scofield, Assistant General Manager/District Clerk

OTHERS: Peter Johnson, CMEEC Ratepayer Representative
Atty. Bryan LeClerc, Berchem Moses

The Commission Meeting of April 26, 2021 was held via ZOOM and telephonically. All participants could hear and be heard.

CALL TO ORDER

Commissioner Weldon called the meeting to order at 6:34 p.m. A quorum was present.

PUBLIC COMMENT

No one from the public was in attendance to comment.

NORWALK TREE ALLIANCE DONATION REQUEST

Mr. Barber informed the Commission that Third Taxing District has been supporting the Norwalk Tree Alliance for the past five years and that this would be the sixth year for their request. All of the years except for the first one has been done through a lottery for the residents of East Norwalk.

This past year (Spring of 2021), 25 trees were planted, consisting of large canopy trees and smaller flowering trees. The reason for so many trees this year, was that there were eight trees left over from the prior year, plus the Norwalk Tree Alliance matched TTD's donation for 2020/21.

They are once again requesting a donation of \$2,500 for the fiscal year 2021/22.

Third Taxing District
of the City of Norwalk
April 26, 2021

**** COMMISSIONER PARKINGTON MOVED TO APPROVE THE NORWALK TREE ALLIANCE DONATION REQUEST IN THE AMOUNT OF \$2,500 TO BE FUNDED OUT OF OTHER DISTRICT SERVICES IN THE DISTRICT BUDGET WHICH WILL BE AWARDED AFTER JULY 1, 2021.**

**** COMMISSIONER SWEENEY SECONDED.**

**** THE MOTION PASSED UNANIMOUSLY.**

MINUTES OF MEETING

March 22, 2021 Regular Meeting

**** COMMISSIONER SWEENEY MOVED TO APPROVE THE MINUTES OF MARCH 22, 2021 REGULAR MEETING.**

**** COMMISSIONER PARKINGTON SECONDED.**

**** THE MOTION PASSED UNANIMOUSLY.**

DISCUSSION/ANALYSIS OF FINANCIAL STATEMENTS/KEY PERFORMANCE INDICATORS

Mr. Barber reviewed the Financial Highlights with the Commission for the month of March 2021. Total Income is \$6,799,209 versus \$7,073,494 for last year, a difference of (3.88%) which is a reflection of the PCA being lowered to zero. Total Expense is \$6,850,865 versus \$7,048,184 for last year, a difference of (2.80%). Net Income before Rate Stabilization is \$504,935 versus \$75,834 from last year or a difference of 566%. Net Income after Rate Stabilization is \$195,850 versus (\$39,286) for last year, a difference of 599%.

Total cash balance on hand is \$7,509,104. Of this, the Capital Improvement Fund is \$2,644,808. Current outstanding principal balance with CMEEC is \$3,130,028. Current Fiscal Year Capital additions to date is \$137,898.

Mr. Barber reviewed the P&L for the Electric Department. All categories are in good shape except for the Purchased Power Adjustment (PPA) which shows no income due to the PCA being reduced to zero in order to provide relief to customers. The Cervalis Data Center revenue has been doing very well. For the month of March it is above budget. Cervalis has notified TTD that they are expanding and TTD should expect to see more revenue over the next few months. The Norden Income is at \$28,500 for the month of March. At this time, the generators remain off-line, but staff is working to get them back up and running.

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The P&L for the District is in very good shape and as a whole is under-budget. This is due largely in part to the pandemic which prohibited TTD from having summer concerts at the beach and the Christmas Tree lighting. The one category which is over-budget is for the East Norwalk Cemetery. This is due to the tree clean-up from storm damage and the repair of the cemetery fence which was damaged in the Fall of 2020.

KPI's: They remain in good shape. Outstanding Receivables greater than 90 days is \$57,784, an increase from last year, which is a result of the pandemic.

RSF: The current balance of the RSF (Rate Stabilization Fund) is \$3,994,553, which is still above the target. It is forecasted to drop to approximately \$3.8 million by the end of this fiscal year. It will then begin to increase based on CMEEC's forecasted power costs. Currently, TTD is scheduled to return the PCA and the billable rate for CMEEC back to its original numbers on July 1, 2021.

Accounts Receivable Analysis: The receivables continue to be in good shape. The balance of A/R which is greater than 90 days is currently \$57,784 which is still considered to be good considering the effects from the pandemic over the past year. Staff is continually working with customers to make payment arrangements or assist them in seeking outside help with their electric bills, i.e., Operation Fuel, Person-to-Person, Allianz CT and UniteCT.

ANNUAL MEETING UPDATE

Mr. Barber reminded the Commission that at the February 17, 2021 meeting, the Commission voted to reschedule the Annual Meeting for up to 90 days (by June 1, 2021). Staff has been monitoring restrictions and seeking possible alternative venues since The Marvin would not allow the use of their facility. Staff has contacted both City Hall and Marvin School as possible venues. Marvin School declined the request and City Hall has yet to respond, even though TTD has provided them with all the information they requested.

Staff then contacted the Norwalk Inn and Conference Center. They have availability for the week of May 17, 2021, can set up the room theater style for up to 75 people (meeting social distancing requirements) and provide some of the A/V equipment that will be needed. After discussion, the Commission agreed upon Wednesday, May 19, 2021 to hold the Annual Meeting. Staff will firm up all details with the Norwalk Inn.

GENERAL MANAGER'S REPORT

Cemetery Fence

Mr. Barber reported to the Commission that the cemetery fence has finally been repaired after approximately seven months.

Third Taxing District
of the City of Norwalk
April 26, 2021

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Summer Concerts

Mr. Barber told the Commission that TTD is still in a holding pattern with the concerts. With the removal of the outdoor restrictions due to occur on May 1, 2021, TTD is still not sure what the situation with the City of Norwalk is and if they will be holding concerts. Mr. Scofield has been in contact with the City of Norwalk. He is planning on speaking to them again on Monday, May 3, 2021 to see if a decision has been made. TTD's decision will be based off of the City of Norwalk's protocols for concerts.

2021/22 Operating & Capital Budgets

Mr. Barber said the budget process for the electric company has begun internally. Mr. Barber is planning to have it complete for the June Commission meeting at the very latest but is trying to target the May 24, 2021 Commission meeting.

EXECUTIVE SESSION

- **COSMOTRONICS v. THIRD TAXING DISTRICT – DISCUSS PENDING LITIGATION AS PER C.G.S. SECTION 1-200(6)(B) AND SECTION 1-210(b)(4)**

**** COMMISSIONER SWEENEY MOVED TO ENTER INTO EXECUTIVE SESSION TO DISCUSS COSMOTRONICS v. THIRD TAXING DISTRICT.**

**** COMMISSIONER PARKINGTON SECONDED.**

**** THE MOTION PASSED UNANIMOUSLY.**

The Commissioners, Messrs. Barber and Scofield, and Atty. Bryan LeClerc entered into Executive Session at 7:11 pm

**** COMMISSIONER PARKINGTON MOVED TO EXIT EXECUTIVE SESSION AND NOTED THAT NO VOTE WAS TAKEN IN EXECUTIVE SESSION.**

**** COMMISSIONER SWEENEY SECONDED.**

**** THE MOTION PASSED UNANIMOUSLY.**

The Commissioners, Messrs. Barber and Scofield, and Atty. Bryan LeClerc returned to public session at 7:24 p.m.

**** COMMISSIONER PARKINGTON MOVED TO AUTHORIZE LEGAL COUNSEL TO RESOLVE THE MATTER ACCORDING TO THE EXECUTIVE SESSION DISCUSSION.**

**** COMMISSIONER SWEENEY SECONDED.**

**** THE MOTION PASSED UNANIMOUSLY.**

Third Taxing District
of the City of Norwalk
April 26, 2021

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ADJOURNMENT

**** COMMISSIONER PARKINGTON MOVED TO ADJOURN.**

**** COMMISSIONER SWEENEY SECONDED.**

**** THE MOTION PASSED UNANIMOUSLY.**

The meeting adjourned at 7:27 p.m.

Respectfully submitted,

Cynthia Tenney
Executive Assistant
Third Taxing District

Third Taxing District
of the City of Norwalk
April 26, 2021

MOTION FOR MINUTES

COMMISSIONER (name of Commissioner) MOVED TO APPROVE THE MINUTES OF (date of meeting) REGULAR MEETING.

OR

COMMISSIONER (name of Commissioner) MOVED TO APPROVE THE MINUTES OF (date of meeting) REGULAR MEETING AS CORRECTED.

**Third Taxing District
Financial Highlights
Jul-Apr-2021 vs. Jul-Apr-2020**

	Jul-Apr-21	Jul-Apr-20	\$ Change	% Change
Total Income	7,557,651	7,802,592	(244,941)	-3.14%
Total Expense	7,285,130	7,847,040	(561,910)	-7.16%
Net Ordinary Income	272,521	(44,448)	316,969	713%
Other Income	814,904	339,956	474,948	140%
Other Expense	265,000	325,773	(60,773)	-19%
Net Income before Rate Stabilization	822,425	(30,265)	852,690	2817%
Rate Stabilization	(370,848)	(140,563)	(230,285)	-164%
Net Income	451,577	(170,828)	622,405	364%

CASH BALANCES

	Apr-21
ACCTS	
Operating Accounts	2,528,740
Savings	2,313,493
Capital Improvements Fund	2,664,454
Total	\$ 7,506,687

TTD Outstanding Principal Balance with CMEEC

Balance as of July 1, 2020	\$ 3,270,529
Current Balance	\$ 3,114,189
Current Fiscal Year Capital Additions to date	\$ 143,935

Third Taxing District
Profit & Loss Budget vs. Actual
July 2020 through April 2021

	Current Month				Year to Date			
	Apr 21	Budget	\$ Over Budget	% of Budget	Jul '20 - Apr 21	Budget	\$ Over Budget	% of Budget
Ordinary Income/Expense								
Income								
443-00 · Cervalis Data Center Revenues	50,132.18	23,126.74	27,005.44	116.77%	369,694.77	266,141.33	103,553.44	38.91%
440-00 · Residential Sales	327,871.40	279,504.09	48,367.31	17.3%	3,516,717.23	3,258,778.21	257,939.02	7.92%
442-01 · Large Commercial Sales	64,565.18	68,824.58	-4,259.40	-6.19%	614,580.30	737,264.19	-122,683.89	-16.64%
442-02 · Small Commercial Sales	208,280.88	189,879.80	18,401.08	9.69%	2,114,708.87	2,128,405.19	-13,696.32	-0.64%
445-01 · Water Pollutn Contrl Pnt Sales	98,734.71	90,087.14	8,647.57	9.6%	863,504.15	818,918.56	44,585.59	5.44%
445-02 · Flat Rate	8,367.54	8,283.14	84.40	1.02%	78,054.02	77,580.72	473.30	0.61%
451-00 · Miscellaneous Service Revenue	490.00	1,876.54	-1,386.54	-73.89%	391.92	10,805.31	-10,413.39	-96.37%
557-00 · Purchased Power Adjustment	0.00	52,509.07	-52,509.07	-100.0%	0.00	627,649.62	-627,649.62	-100.0%
Total Income	758,441.89	714,091.10	44,350.79	6.21%	7,557,651.26	7,925,543.13	-367,891.87	-4.64%
Cost of Goods Sold								
555-00 · Electrical Power Purchased	286,874.97	323,133.00	36,258.03	11.22%	3,681,492.34	3,862,460.00	180,967.66	4.69%
Total COGS	286,874.97	323,133.00	36,258.03	11.22%	3,681,492.34	3,862,460.00	180,967.66	4.69%
Gross Profit	471,566.92	390,958.10	80,608.82	20.62%	3,876,158.92	4,063,083.13	-186,924.21	-4.6%
Expense								
904-00 · Substation	16,097.48	15,541.66	-555.82	-3.58%	148,409.64	155,416.68	7,007.04	4.51%
403-00 · Depreciation Expense	64,587.47	71,666.66	7,079.19	9.88%	645,874.70	716,666.68	70,791.98	9.88%
408-00 · Taxes	104,854.84	1,100.01	-103,754.83	-9,432.17%	313,333.67	292,249.98	-21,083.69	-7.21%
540-00 · Other Power Generation Expense	6,594.22	11,500.00	4,905.78	42.66%	66,332.52	115,000.00	48,667.48	42.32%
580-00 · Distribution Expenses	12,064.84	16,875.00	4,810.16	28.5%	117,521.57	168,750.00	51,228.43	30.36%
590-00 · Maintenance Expenses	62,850.01	51,761.67	-11,088.34	-21.42%	482,178.92	517,616.66	35,437.74	6.85%
900-00 · Customer Accounts & Service	32,683.29	36,970.83	4,287.54	11.6%	420,143.59	369,708.34	-50,435.25	-13.64%
920-00 · Administrative Expenses	177,237.87	192,931.67	15,693.80	8.13%	1,409,843.56	1,929,316.66	519,473.10	26.93%
Total Expense	476,970.02	398,347.50	-78,622.52	-19.74%	3,603,638.17	4,264,725.00	661,086.83	15.5%
Net Ordinary Income	-5,403.10	-7,389.40	1,986.30	-26.88%	272,520.75	-201,641.87	474,162.62	-235.15%
Other Income/Expense								
Other Income								
418-00 · Dividends	5,700.01	5,833.33	-133.32	-2.29%	55,704.30	58,333.34	-2,629.04	-4.51%
419-00 · Interest Income	1,800.00	2,083.33	-283.33	-13.6%	18,468.42	20,833.34	-2,364.92	-11.35%
420-00 · Gain/(Loss) on Investments	25,328.84	0.00	25,328.84	100.0%	256,363.90	0.00	256,363.90	100.0%
421-00 · Norden Project Income	28,500.00	33,745.00	-5,245.00	-15.54%	310,252.96	337,450.00	-27,197.04	-8.06%
423-00 · Gain/(Loss) from Sale of FA	0.00	416.67	-416.67	-100.0%	170.25	4,166.66	-3,996.41	-95.91%
424-00 · Energy Conservation Fund Income	11,294.63	10,833.33	461.30	4.26%	111,530.64	108,333.34	3,197.30	2.95%
425-00 · Miscellaneous Income	251.50	1,250.00	-998.50	-79.88%	62,413.75	12,500.00	49,913.75	399.31%
Total Other Income	72,874.98	54,161.66	18,713.32	34.55%	814,904.22	541,616.68	273,287.54	50.46%
Other Expense								
426-30 · PERSON TO PERSON	0.00	0.00	0.00	0.0%	0.00	20,000.00	20,000.00	100.0%
426-10 · Distribution to "District Fund"	66,250.00	66,250.00	0.00	0.0%	265,000.00	265,000.00	0.00	0.0%
999-00 · Miscellaneous Unknown	0.00	0.00	0.00	0.0%	0.00	0.00	0.00	0.0%
Total Other Expense	66,250.00	66,250.00	0.00	0.0%	265,000.00	285,000.00	20,000.00	7.02%
Net Other Income	6,624.98	-12,088.34	18,713.32	154.8%	549,904.22	256,616.68	293,287.54	114.29%
Net Income	1,221.88	-19,477.74	20,699.62	106.27%	822,424.97	54,974.81	767,450.16	1,396.0%

TTD District Fund
Profit & Loss Budget vs. Actual
July 2020 through April 2021

	Current Month				Year to Date			
	Apr 21	Budget	\$ Over Budget	% of Budget	Jul '20 - Apr 21	Budget	\$ Over Budget	% of Budget
Ordinary Income/Expense								
Income								
980-02 · INTEREST INCOME	35.00	27.08	7.92	29.25%	354.25	270.84	83.41	30.8%
980-05 · FIRE HOUSE RENT	0.00	0.00	0.00	0.0%	45,374.00	45,374.00	0.00	0.0%
980-10 · FUNDING FROM ELECTRIC	66,250.00	66,250.00	0.00	0.0%	265,000.00	265,000.00	0.00	0.0%
Total Income	66,285.00	66,277.08	7.92	0.01%	310,728.25	310,644.84	83.41	0.03%
Expense								
980-12 · FEES- COMMISSIONERS	0.00	0.00	0.00	0.0%	7,875.00	7,875.00	0.00	0.0%
980-14 · FEES-CLERKS	0.00	0.00	0.00	0.0%	1,350.00	1,350.00	0.00	0.0%
980-16 · FEES-TREASURER	0.00	0.00	0.00	0.0%	1,350.00	1,350.00	0.00	0.0%
980-17 · Fees - Rate Payer Rep	0.00	0.00	0.00	0.0%	1,350.00	1,350.00	0.00	0.0%
980-19 · PAYROLL EXPENSES	0.00	0.00	0.00	0.0%	843.47	975.00	131.53	13.49%
980-20 · PARKS MAINTENANCE	446.54	2,341.66	1,895.12	80.93%	14,504.55	23,416.68	8,912.13	38.06%
980-30 · EAST NORWALK CEMETERY ASS'N	2,791.50	1,775.00	-1,016.50	-57.27%	29,818.79	17,750.00	-12,068.79	-67.99%
980-34 · Library - Master Plan	0.00	0.00	0.00	0.0%	0.00	0.00	0.00	0.0%
980-35 · EAST NORWALK IMP ASSOC LIBRARY	42,500.00	43,325.00	825.00	1.9%	174,832.71	186,500.00	11,667.29	6.26%
980-40 · CHRISTMAS TREE LIGHTING	0.00	0.00	0.00	0.0%	3,940.00	6,750.00	2,810.00	41.63%
980-45 · FIREHOUSE EXPENSES	0.00	125.00	125.00	100.0%	0.00	1,250.00	1,250.00	100.0%
980-55 · CONCERTS IN THE PARK	0.00	0.00	0.00	0.0%	0.00	33,000.00	33,000.00	100.0%
980-70 · ANNUAL MEETING EXPENSES	500.00	0.00	-500.00	-100.0%	500.00	3,200.00	2,700.00	84.38%
980-90 · CONTINGENCY EXPENSES	0.00	2,500.00	2,500.00	100.0%	0.00	25,000.00	25,000.00	100.0%
980-95 · Other District Services	0.00	833.33	833.33	100.0%	2,500.00	8,333.34	5,833.34	70.0%
Total Expense	46,238.04	50,899.99	4,661.95	9.16%	238,864.52	318,100.02	79,235.50	24.91%
Net Ordinary Income	20,046.96	15,377.09	4,669.87	30.37%	71,863.73	-7,455.18	79,318.91	1,063.94%
Other Income/Expense								
Other Income								
980-97 · MISCELLANEOUS	0.00	0.00	0.00	0.0%	5,100.00	0.00	5,100.00	100.0%
Total Other Income	0.00	0.00	0.00	0.0%	5,100.00	0.00	5,100.00	100.0%
Net Other Income	0.00	0.00	0.00	0.0%	5,100.00	0.00	5,100.00	100.0%
Net Income	20,046.96	15,377.09	4,669.87	30.37%	76,963.73	-7,455.18	84,418.91	1,132.35%

THIRD TAXING DISTRICT
KEY PERFORMANCE INDICATORS (KPI'S)
April

	Formula	2021	2020	Industry Average (Bandwidth)	Comments
1) OPERATING RATIO - This ratio measures the proportion of revenues required to cover the operation and maintenance costs associated with the operation of the electric utility.					
a.	Operating Ratio - without Change in Rate Stabilization Fund	Total Operating Expenses / Total Operating Revenues	96.39%	100.57%	95-105% Calculation is based on the CMEEC billable rate that is set by TTD
b.	Operating Ratio - with Change in Rate Stabilization Fund	Total Operating Expenses + Change in RSF / Total Operating Revenues	101.30%	102.37%	95-105% Reflects the true total operating expenses by including the change (+/-) in the rate stabilization fund.
2) POWER SUPPLY EXPENSE RATIO - This ratio measures the proportion of the total operating expenses that is for power supply (purchased power)					
2) a.	Power Supply Expense Ratio - without Change in Rate Stabilization Fund	Purchased Power / Total Operating Expenses	50.53%	52.42%	65% - 70% Calculation is based on the CMEEC billable rate that is set by TTD
b.	Power Supply Expense Ratio - with Change in Rate Stabilization Fund	Purchased Power + Change in RSF / Total Operating Expenses	55.62%	54.21%	65% - 70% Reflects the true total operating expenses by including the change (+/-) in the rate stabilization fund.
3) OUTSTANDING RECEIVABLES - Total amount of outstanding receivables greater than 90 days past due					
a.	Outstanding Receivables - Dollars	Total (\$) Outstanding Receivables > 90 days	\$56,326	\$37,659	Indicates if TTD is doing an adequate job of collecting past due receivables
b.	Percentage of total receivables	Receivables > 90 days past due / total receivables	9.86%	5.33%	Indicates the percentage of receivables that is greater than 90 days past due
4) RATE OF RETURN - Year to Date (YTD) Net income divided by audited Net Book Value					
	Actual Rate of Return on Rate Base	AUTHORIZED BY STATE STATUTE	3.5%	0.0%	Varies by state 5 - 8 % Rate of Return authorized by State statute
5) RATE STABILIZATION FUND - this index lists the balance of the rate stabilization fund held for TTD at CMEEC					
	Rate Stabilization Fund balance	RSF Balance	\$3,927,575	\$ 3,815,803	\$2.75MM -\$3.0MM Commission approved the target balance, which is based on a RSF balance to cover 6 months of power bills
7) ENERGY LOSS % - This ratio measures how much energy is lost in the utility's electrical system and is an indicator of the efficiency of the electrical system.					
	Energy Loss %	Total Energy Loses/Total Sources of Energy	5.32%	5.69%	2.5% - 6% This ratio is calculated on a 12 month rolling average of electricity purchased compared to energy sold to customers

East Norwalk - PCA Calculation

Power Cost Adjustment Calculation

6 Month Rolling Average (starting January 2014)

Yellow indicates Forecast

Orange indicates data is from the preliminary CMEEC monthly bill, numbers will change when the "true up" numbers are available from CMEEC

Green indicates the final numbers have been entered for the month.

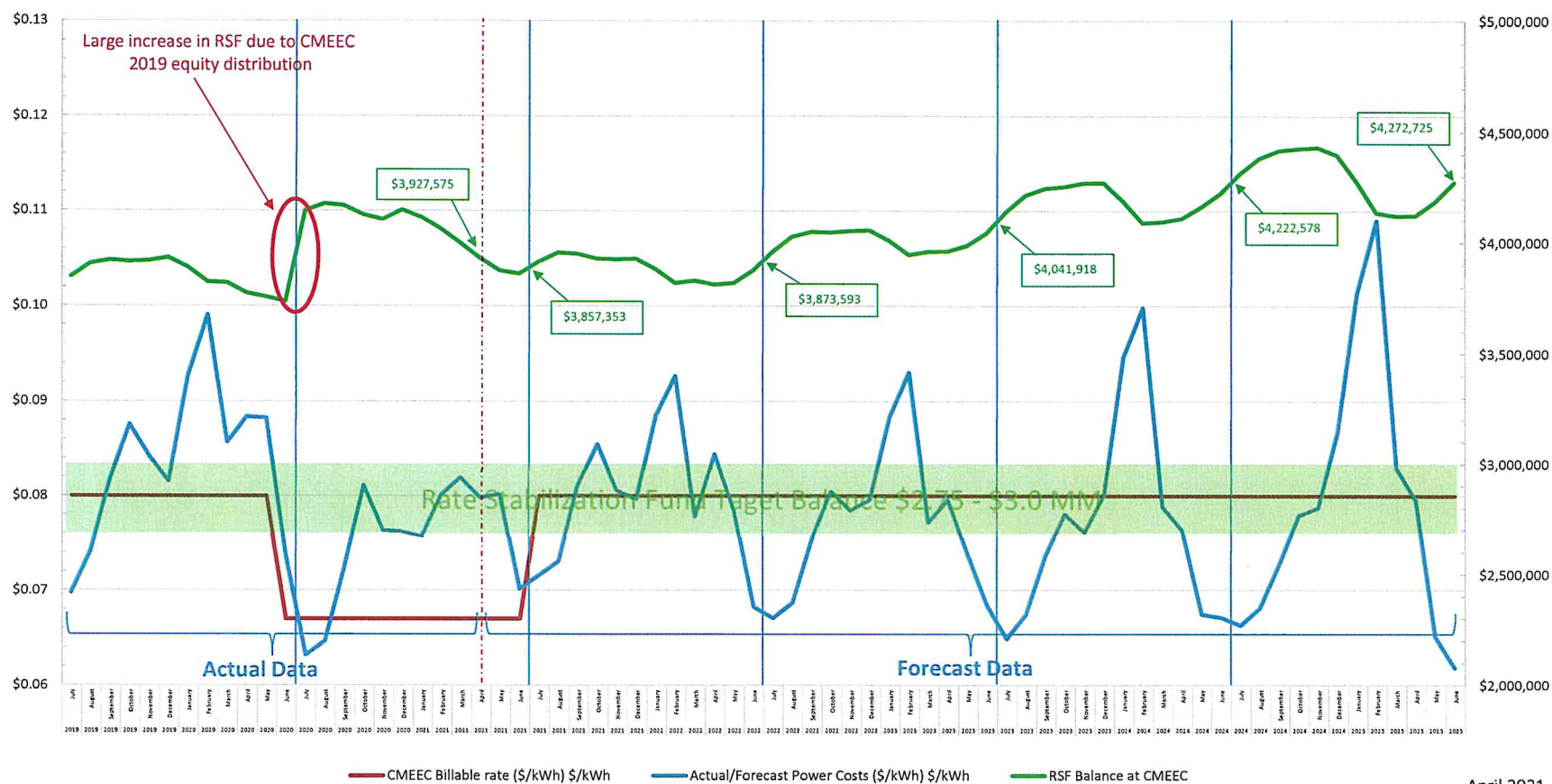
Colors will change when actual numbers are received.

		2020 July	2020 August	2020 September	2020 October	2020 November	2020 December	2021 January	2021 February	2021 March	2021 April	2021 May	2021 June
Total Energy	kWh												
CMEEC Billable rate (\$/kWh)	\$/kWh	0.06700	0.06700	0.06700	0.06700	0.06700	0.06700	0.06700	0.06700	0.06700	0.06700	0.06700	0.06700
h Grand Total (Actual) Purchased Power Costs	\$	\$ 428,375	\$ 405,029	\$ 337,627	\$ 323,798	\$ 320,996	\$ 409,411	\$ 430,438	\$ 416,765	\$ 399,837	\$ 319,955	\$ 334,919	\$ 340,381
i (Sum of current and previous 5 months)	\$	2,380,571	2,320,317	2,272,892	2,213,295	2,187,225	2,225,235	2,227,299	2,239,035	2,301,244	2,297,401	2,311,324	2,242,294
j kWh's Purchased	kWh												
l Total Purchased Power kWh Units	kWh	6,781,298	6,264,945	4,662,713	3,994,545	4,208,126	5,374,967	5,685,355	5,204,353	4,879,627	4,009,455	4,178,132	4,852,875
m (Sum of current and previous 5 months)	kWh	29,286,976	30,853,997	31,020,538	30,674,665	30,948,255	31,286,594	30,190,651	29,130,059	29,346,973	29,361,883	29,331,889	28,809,797
Actual/Forecast Power Costs (\$/kWh)	\$/kWh	0.06317	0.06465	0.07241	0.08106	0.07628	0.07617	0.07571	0.08008	0.08194	0.0798	0.08016	0.07014
n Power (Actual) Supply Costs @ Retail	\$	0.0858	0.0794	0.0774	0.0762	0.0746	0.0751	0.0779	0.0812	0.0828	0.0826	0.0832	0.0822
o Base Fuel Cost	\$	0.0958	0.0958	0.0958	0.0958	0.0958	0.0958	0.0958	0.0958	0.0958	0.0958	0.0958	0.0958
p Loss Factor	%	5.6%	5.6%	5.6%	5.6%	5.6%	5.6%	5.6%	5.6%	5.6%	5.6%	5.6%	5.6%
q Calculated PCA	\$	(0.0100)	(0.0164)	(0.0184)	(0.0196)	(0.0212)	(0.0207)	(0.0179)	(0.0146)	(0.0130)	(0.0132)	(0.0126)	(0.0136)
r Actual PCA Implemented	\$	-	-	-	-	-	-	-	-	-	-	-	-
s Total System Retail Sales (kWh's)	kWh	5,819,222	6,514,295	4,592,663	4,526,377	4,137,523	3,802,784	5,934,444	5,023,389	4,492,299	4,542,060	3,944,156	4,581,114
t Base PCA Revenue	\$	557,481	624,069	439,977	433,627	396,375	364,307	568,520	481,241	430,362	435,129	377,850	438,871
u Fuel Factor Revenue	\$	-	-	-	-	-	-	-	-	-	-	-	-
v Total Revenues through PCA	\$	557,481	624,069	439,977	433,627	396,375	364,307	568,520	481,241	430,362	435,129	377,850	438,871
w Difference of Collection vs Expense	\$	\$ 7,824,847	\$ 8,043,887	\$ 8,146,237	\$ 8,256,067	\$ 8,331,445	\$ 8,286,341	\$ 8,424,422	\$ 8,488,898	\$ 8,519,424	\$ 8,634,599	\$ 8,677,530	\$ 8,776,020
Over collect / (Under Collect) in each month		\$129,106.88	\$219,040.76	\$102,350.06	\$109,829.11	\$75,378.85	(\$45,104.53)	\$138,081.52	\$64,476.08	\$30,525.61	\$115,174.84	\$42,931.11	\$98,490.08
RSF Balance at CMEEC		4,141,322.00	4,173,036.00	4,164,408.00	4,123,607.00	4,101,845.00	4,144,613.00	4,109,938.00	4,057,903.00	3,994,553.00	3,927,575.00	3,872,590.79	3,857,352.76
Diff between Billed Rate and Actual Cost	\$	0.00383	0.00235	(0.00541)	(0.01406)	(0.00928)	(0.00917)	(0.00871)	(0.01308)	(0.01494)	(0.01280)	(0.01316)	(0.00314)
Affect on RSF - by Month	\$	25,972.37	14,722.62	(25,225.28)	(56,163.30)	(39,051.41)	(49,288.45)	(49,519.44)	(68,072.94)	(72,901.63)	(51,321.02)	(54,984.21)	(15,238.03)

East Norwalk - PCA Calculation
Power Cost Adjustment Calculation
6 Month Rolling Average (starting January 2014)

		2021 July	2021 August	2021 September	2021 October	2021 November	2021 December	2022 January	2022 February	2022 March	2022 April	2022 May	2022 June
Total Energy	kWh												
CMEEC Billable rate (\$/kWh)	\$/kWh	0.08000	0.08000	0.08000	0.08000	0.08000	0.08000	0.08000	0.08000	0.08000	0.08000	0.08000	0.08000
h Grand Total (Actual) Purchased Power Costs	\$	\$ 458,856	\$ 434,993	\$ 387,268	\$ 348,844	\$ 347,285	\$ 427,972	\$ 492,416	\$ 452,403	\$ 394,150	\$ 340,808	\$ 329,050	\$ 332,548
i (Sum of current and previous 5 months)	\$	2,270,711	2,288,940	2,276,371	2,305,260	2,317,626	2,405,217	2,438,778	2,456,188	2,463,070	2,455,034	2,436,800	2,341,375
j kWh's Purchased	kWh												
l Total Purchased Power kWh Units	kWh	6,412,181	5,956,361	4,776,958	4,083,386	4,310,347	5,375,186	5,564,655	4,882,927	5,069,450	4,039,920	4,190,123	4,873,927
m (Sum of current and previous 5 months)	kWh	29,536,623	30,288,631	30,185,962	30,259,892	30,392,108	30,914,419	30,066,893	28,993,459	29,285,951	29,242,485	29,122,262	28,621,003
Actual/Forecast Power Costs (\$/kWh)	\$/kWh	0.07156	0.07303	0.08107	0.08543	0.08057	0.07962	0.08849	0.09265	0.07775	0.08436	0.07853	0.06823
n Power (Actual) Supply Costs @ Retail	\$	0.0812	0.0798	0.0796	0.0804	0.0805	0.0822	0.0857	0.0895	0.0888	0.0887	0.0884	0.0864
o Base Fuel Cost	\$	0.0958	0.0958	0.0958	0.0958	0.0958	0.0958	0.0958	0.0958	0.0958	0.0958	0.0958	0.0958
p Loss Factor	%	5.6%	5.6%	5.6%	5.6%	5.6%	5.6%	5.6%	5.6%	5.6%	5.6%	5.6%	5.6%
q Calculated PCA	\$	(0.0146)	(0.0160)	(0.0162)	(0.0154)	(0.0153)	(0.0136)	(0.0101)	(0.0063)	(0.0070)	(0.0071)	(0.0074)	(0.0094)
r Actual PCA Implemented	\$	\$ 0.0130	\$ 0.0130	\$ 0.0130	\$ 0.0130	\$ 0.0130	\$ 0.0130	\$ 0.0130	\$ 0.0130	\$ 0.0130	\$ 0.0130	\$ 0.0130	\$ 0.0130
s Total System Retail Sales (kWh's)	kWh	6,053,099	5,622,805	4,509,448	3,854,716	4,068,968	5,074,176	5,253,035	4,609,483	4,785,560	3,813,685	3,955,476	4,600,987
t Base PCA Revenue	\$	579,887	538,665	432,005	369,282	389,807	486,106	503,241	441,588	458,457	365,351	378,935	440,775
u Fuel Factor Revenue	\$	78,690	73,096	58,623	50,111	52,897	65,964	68,289	59,923	62,212	49,578	51,421	59,813
v Total Revenues through PCA	\$	658,577	611,761	490,628	419,393	442,704	552,070	571,530	501,512	520,669	414,929	430,356	500,587
w Difference of Collection vs Expense	\$	\$ 8,975,742	\$ 9,152,510	\$ 9,255,870	\$ 9,326,419	\$ 9,421,838	\$ 9,545,936	\$ 9,625,050	\$ 9,674,159	\$ 9,800,678	\$ 9,874,799	\$ 9,976,105	\$ 10,144,144
Over collect / (Under Collect) in each month		\$199,721.48	\$176,768.12	\$103,359.99	\$70,549.47	\$95,419.06	\$124,098.04	\$79,113.86	\$49,108.55	\$126,519.23	\$74,121.24	\$101,305.41	\$168,039.32
RSF Balance at CMEEC		3,911,471.57	3,952,987.41	3,947,876.06	3,925,703.28	3,923,246.38	3,925,288.95	3,878,045.03	3,816,276.00	3,827,682.26	3,810,068.21	3,816,227.69	3,873,593.82
Diff between Billed Rate and Actual Cost	\$	0.00844	0.00697	(0.00107)	(0.00543)	(0.00057)	0.00038	(0.00849)	(0.01265)	0.00225	(0.00436)	0.00147	0.01177
Affect on RSF - by Month	\$	54,118.81	41,515.84	(5,111.34)	(22,172.78)	(2,456.90)	2,042.57	(47,243.92)	(61,769.03)	11,406.26	(17,614.05)	6,159.48	57,366.13

Rate Stabilization Balance - 5 Year Forecast



April 2021

TTD Electric Department

Analysis of Aged Receivables as of April 2021

Total # of Cu 4114

Total Open A 634,677 - not including accounts with credit balances

Count - Active Accounts				Account Type						
Ageing Grou	#	% of Total		Res	Small Com	Large Com	Flat	WWTP	DC	N/A
Current	2,406	58.48%	📉	1,753	546	33	5	1	0	68
30 days	293	7.12%	📉	204	69	4	1	0	0	15
60 days	85	2.07%	📉	64	10	2	1	0	0	8
90 days	43	1.05%	📈	34	5	1	0	0	0	3
120 days	24	0.58%	📉	18	3	1	0	0	0	2
150 days	23	0.56%	📈	16	2	2	0	0	0	3
180+ days	119	2.89%	📉	15	4	1	1	0	0	98

		Dollars Due per Ageing Buckets							
Ageing Grou		Total	Res	Small Com	Large Com	Flat	WWTP	DC	N/A
Current		507,094	196,387	141,598	61,248	974	100,577	0	6,309
30 days		47,235	24,692	14,159	7,431	25	0	0	929
60 days		14,711	8,732	2,685	2,656	25	0	0	613
90 days		9,310	4,762	1,430	2,850	0	0	0	268
120 days		6,108	2,179	1,330	2,447	0	0	0	152
150 days		5,325	1,460	526	3,063	0	0	0	276
180+ days		44,893	12,461	656	1,348	364	0	0	30,065

N/A indicates a finalled or closed account.

AR 90 Days or less	578,350.74	91.1%
AR Greater than 90 Days	56,326	8.9%

Comparison to
Previous Month

Better

Worse

Same



Third Taxing District

2 Second Street
East Norwalk, CT 06855

Tel: (203) 866-9271
Fax: (203) 866-9856

Memorandum

To: TTD Commissioners

From: Kevin Barber – General Manager

Date: May 18, 2021

Subject: Patriot Bank – Line of Credit - Renewal

In July 2013, TTD established a line of credit (LOC) with Patriot Bank in the amount of \$500,000 for the purpose of having access to funds during the construction of the Fitch Street Substation and Cervalis projects. The original line of credit had an expiration date of July 1, 2016. The LOC has been renewed multiple times with the last renewal with an expiration date of March 31, 2021.

Attached for your review are the following LOC renewal documents:

- Business Loan Agreement
- Commercial Line of Credit Renewal Agreement and Note
- Resolution Government Entity
- Commercial Security Agreement
- Authorization Agreement for Direct Payments
- Error and Omissions Compliance Agreement

TTD has not utilized this line of credit since July 2015. There is no cost to maintain the line of credit with Patriot Bank and the current interest rate is 3.25%.

I recommend the Commission approve the line of credit in the amount of \$500,000 be extended with Patriot Bank. This will provide TTD with access to funds in case of extenuating or emergency situations.

The following is a motion for your consideration. I will be happy to answer any questions at the Commission Meeting.

District Commissioners

Johnnie Mae Weldon 203-216-2652
Pamela Parkington 203-858-4261
Michele Sweeney 203-820-3107

Chairperson
Commissioner
Commissioner

Kevin Barber
Ron Scofield
Read Auerbach

203-866-9271
203-866-9271
203-451-7047

General Manager
Assistant General Manager
Treasurer

COMMISSIONER _____ MOVES TO AUTHORIZE KEVIN BARBER, GENERAL MANAGER OF THE THIRD TAXING DISTRICT TO RENEW FOR AND ON BEHALF OF THE THIRD TAXING DISTRICT THE LINE OF CREDIT WITH PATRIOT BANK IN THE AMOUNT OF FIVE HUNDRED THOUSAND DOLLARS (\$500,000) ON THE TERMS SET OUT IN THE LOAN DOCUMENTS PREPARED BY PATRIOT BANK AND FURTHER REQUIRE KEVIN BARBER, BEFORE ACCESSING ANY FUNDS FROM THE LINE OF CREDIT, MUST RECEIVE AUTHORIZATION FROM THE DISTRICT COMMISSION AT A DULY CONVENED COMMISSION MEETING.

BUSINESS LOAN AGREEMENT

Patriot Bank, N.A.
900 Bedford Street
Stamford, Connecticut 06901
(203)252-5900

AGREEMENT DATE	LOAN NUMBER	AGREEMENT/ACCOUNT NUMBER
May 6, 2021	9189462478	9189462478

BORROWER INFORMATION

The Third Taxing District of the City of Norwalk
2 Second St
Norwalk, CT 06855

Type of Entity: Governmental Entity
State of Organization/Formation: Connecticut

AGREEMENT. This Business Loan Agreement will be referred to in this document as the "Agreement." This Agreement is made by Patriot Bank, N.A. (Lender) and The Third Taxing District of the City of Norwalk (Borrower). The consideration is the promises, representations, and warranties made in this Agreement and the Related Documents.

DEFINITIONS. These definitions are used in this Agreement.

"Collateral" means the Property that any Party to this Agreement or the Related Documents may pledge, mortgage, or give Lender a security interest in, regardless of where the Property is located and regardless of when it was or will be acquired, together with all replacements, substitutions, proceeds, and products of the Property.

"Events of Default" means any of the events described in the "Events of Default" section of this Agreement.

"Financial Statements" mean the balance sheets, earnings statements, and other financial information that any Party has, is, or will be giving to Lender.

"Indebtedness" means the Loan and all other loans and indebtedness of Borrower to Lender, including but not limited to Lender's payments of insurance or taxes, all amounts Lender pays to protect its interest in the Collateral, overdrafts in deposit accounts with Lender, and all other indebtedness, obligations, and liabilities of Borrower to Lender, whether matured or unmatured, liquidated or unliquidated, direct or indirect, absolute or contingent, joint or several, due or to become due, now existing or hereafter arising.

"Loan" means any loan or loans described in the "Identification of Loan" section of this Agreement.

"Parties" means any Borrower signing this Agreement.

"Party" means any Borrower signing this Agreement.

"Property" means the Parties' assets, regardless of what kind of assets they are.

"Related Documents" means all documents, promissory notes, security agreements, leases, mortgages, construction loan agreements, assignments of leases and rents, guaranties, pledges, and all other documents or agreements executed in connection with this Agreement as such documents may be modified, amended, substituted, or renewed from time to time. The term includes both documents existing at the time of execution of this Agreement and documents executed after the date of this Agreement.

IDENTIFICATION OF LOAN. The following loan and all other indebtedness, obligations, and liabilities of Borrower to Lender, due or to become due, now existing or hereafter arising, as well as any and all amendments, modifications, extensions, and renewals thereof are subject to this Agreement:

- Loan Number 9189462478 with a principal amount of \$500,000.00

BORROWER'S REPRESENTATIONS AND WARRANTIES. The statements made in this section will continue and remain in effect until all of the Indebtedness is fully paid to Lender. Each Borrower represents and warrants to Lender the following:

Borrower's Existence and Authority. Each Borrower is duly formed and in good standing under all laws governing the Borrower and the Borrower's business, and each Borrower executing this Agreement has the power and authority to execute this Agreement and the Related Documents and to bind that Borrower to the obligation created in this Agreement and the Related Documents.

Financial Information and Filing. All Financial Statements provided to Lender have been prepared and will continue to be prepared in accordance with generally accepted accounting principles, consistently applied, and fully and fairly present the financial condition of each Borrower, and there has been no material adverse change in Borrower's business, Property, or condition, either financial or otherwise, since the date of Borrower's latest Financial Statements. Each Borrower has filed all federal, state, and local tax returns and other reports and filings required by law to be filed before the date of this Agreement and has paid all taxes, assessments, and other charges that are due and payable prior to the date of this Agreement. Each Borrower has made reasonable provision for these types of payments that are accrued but not yet payable. The Borrower does not know of any deficiency or additional assessment not disclosed in the Borrower's books and records.

All financial statements or records submitted to Lender via electronic means, including, but not limited to, facsimile, open internet communications or other telephonic or electronic methods, including, but not limited to, documents in Tagged Image Format Files ("TIFF") and Portable Document Format ("PDF") shall be treated as originals, and will be fully binding with full legal force and effect. Parties waive any right they may have to object to such treatment. Lender may rely on all such records in good faith as complete and accurate records produced or maintained by or on behalf of the Party submitting such records.



Title and Encumbrances. Borrower has good title to all of the Borrower's assets. All encumbrances on any part of the Property were disclosed to Lender in writing prior to the date of this Agreement.

Compliance with General Law. Each Borrower is in compliance with and will conduct its business and use its assets in compliance with all laws, regulations, ordinances, directives, and orders of any level of governmental authority that has jurisdiction over the Borrower, the Borrower's business, or the Borrower's assets.

Environmental Laws. Each Borrower is in compliance with all applicable laws and rules of federal, state, and local authorities affecting the environment, as all have been or are amended.

No Litigation/No Misrepresentations. There are no existing or pending suits or proceedings before any court, government agency, arbitration panel, administrative tribunal, or other body, or threatened against Borrower that may result in any material adverse change in the Borrower's business, property, or financial condition, and all representations and warranties in this Agreement and the Related Documents are true and correct and no material fact has been omitted.

COVENANTS. On the date of this Agreement and continuing until the Indebtedness is repaid and Borrower's obligations are fully performed, Borrower covenants as follows.

Notices of Claims and Litigation/Notice of Adverse Events. Borrower will promptly notify Lender in writing of all threatened and actual litigation, governmental proceeding, default, and every other occurrence that may have a material adverse effect on Borrower's business, financial condition, or the Property.

EVENTS OF DEFAULT. The occurrence of any of the following events will be an Event of Default.

Noncompliance with Lender Agreements. Default by Borrower under any provision of this Agreement, the Related Documents, or any other agreement with Lender.

False Statements. If a Party made or makes a false or misleading misrepresentation in this Agreement, in the Related Documents, in any supporting material submitted to Lender or to third parties providing reports to Lender, or in Financial Statements given or to be given to Lender.

Material Adverse Change. Any material adverse change in the Borrower's business, financial condition, or the Property has occurred or is imminent; if the full performance of the obligations of any Party is materially impaired; or if the Collateral and its value or Lender's rights with respect thereto are materially impaired in any way. The existence or reasonable likelihood of litigation, governmental proceeding, default, or other event that may materially and adversely affect a Party's business, financial condition, or the Property.

Insolvency or Liquidation. A Party voluntarily suspends transaction of its business or does not generally pay debts as they mature. If a Party has or will make a general assignment for the benefit of creditors or will file, or have filed against it, any petition under federal bankruptcy law or under any other state or federal law providing for the relief of debtors if the resulting proceeding is not discharged within thirty days after filing. If a receiver, trustee, or custodian is or will be appointed for a Party.

Default on Unrelated Debt. If Borrower materially defaults under a provision of an agreement with a third party or if the indebtedness under such an agreement is accelerated.

Judgments or Attachments. If there is entered against a Party a judgment that materially affects the Borrower's business, financial condition, or the Property, or if a tax lien, levy, writ of attachment, garnishment, execution, or similar item is or will be issued against the Collateral or which materially affects Borrower's business, financial condition, or the Property, and which remains unpaid, unstayed on appeal, undischarged, unbonded, or undismissed for thirty days after it was issued.

Collateral Impairment. Lender has a good-faith belief that Lender's rights in the Collateral are or will soon be impaired or that the Collateral itself is or soon will be impaired.

Termination of Existence or Change in Control. If Borrower or Borrower's business is sold or merged or if Borrower or Borrower's business suspends business or ceases to exist.

Insecurity. If Lender has a good-faith belief that any Party is unable or will soon be unable to perform that Party's duties under this Agreement or under the Related Documents.

Death. The death of an individual who is a Party, a partner in a partnership that is a Party, a member in a limited liability company that is a Party, an officer of a corporation that is a Party, or an individual of similar position in any other type of business organization that is a Party.

REMEDIES ON DEFAULT.

Remedies, No Waiver. The remedies provided for in this Agreement, the Related Documents, and by law are cumulative and not exclusive. Lender reserves the right to exercise some, all, or none of its rights and reserves the right to exercise any right at any time that Lender has the right, without regard to how much time has passed since the right arose. Lender may exercise its rights in its sole, absolute discretion.

Acceleration, Setoff. Upon an Event of Default, the Loan and the Indebtedness may, at Lender's sole option, be declared immediately due and payable. Lender may apply the Parties' bank accounts and any other property held by Lender against the Indebtedness.

ATTORNEYS' FEES AND OTHER COSTS. Borrower agrees to pay all of Lender's costs and expenses incurred in connection with the enforcement of this Agreement, including without limitation, reasonable attorneys' fees, to the extent permitted by law.

EXPENSES. The Parties agree to pay all of Lender's reasonable expenses incidental to perfecting Lender's security interests and liens, all insurance premiums, Uniform Commercial Code search fees, and all reasonable fees incurred by Lender for audits, inspection, and copying of the Parties' books and records. The Parties also agree to pay all reasonable costs and expenses of Lender in connection with the enforcement of



Lender's rights and remedies under this Agreement, the Related Documents, and any other agreement between one or more Parties and Lender, and in connection with the preparation of all amendments, modifications, and waivers of consent with respect to this Agreement, including reasonable attorneys' fees.

GOVERNING LAW/PARTIAL ILLEGALITY. This Agreement and the Related Documents are and will be governed by, and the rights of the Parties will be determined by the laws of the state of Connecticut except to the extent that federal law controls. If any part, term, or provision of this Agreement is determined to be illegal or in conflict with state or federal law, the validity of the remaining portion or provisions of this Agreement will not be affected, unless the stricken portion or provision adversely affects Lender's risk of realizing Lender's anticipated return, in which case Lender may, in its sole discretion, deem the Loan matured.

NOTICES. All notices required under this Agreement must be in writing and will be considered given: (i) on the day of personal delivery, or (ii) one business day after deposit with a nationally recognized overnight courier service, or (iii) three business days after deposit with the United States Postal Service sent certified mail, return receipt requested. Any of these methods may be used to give notice. All notices must be sent to the party or parties entitled to notice at the addresses first set forth in this Agreement. Any Party may change its address for notice purposes on five days prior written notice to the other Parties.

INTEGRATION AND AMENDMENT. This Agreement and other written agreements among the Parties, including but not limited to the Related Documents, are the entire agreement of the Parties and will be interpreted as a group, one with the others. None of the Parties will be bound by anything not expressed in writing, and this Agreement cannot be modified except by a writing executed by those Parties burdened by the modification.

FURTHER ACTION. The Parties will, upon request of Lender, make, execute, acknowledge, and deliver to Lender the modified and additional instruments, documents, and agreements, and will take the further action that is reasonably required, to carry out the intent and purpose of this transaction.

CONTINUING EFFECT. Unless superseded by a later Business Loan Agreement, this Agreement will continue in full force and effect until all of the Parties' obligations to Lender are fully satisfied and the Loan and Indebtedness are fully repaid.

HEADINGS. All headings in this Agreement are included for reference only and do not have any effect on the interpretation of this Agreement.

COUNTERPARTS. This Agreement may be executed by the Parties using any number of copies of the Agreement. All executed copies taken together will be treated as a single Agreement.

TIME IS OF THE ESSENCE. Time is of the essence in the performance of this Agreement.

TRANSFERS. Borrower may not assign or transfer its rights or obligations under this Agreement without Lender's prior written consent. Lender may transfer its interest in Lender's sole discretion. Borrower waives all rights of offset and counterclaim Borrower has against Lender. The purchaser of a participation in the loan may enforce its interest regardless of any claims or defenses Borrower has against Lender.

JURISDICTION. The Parties agree to waive any objection to jurisdiction or venue on the ground that the Parties are not residents of Lender's locality. The Parties authorize any action brought to enforce the Parties' obligations to be instituted and prosecuted in any state court having jurisdiction or in the United States District Court for the District that includes Lender's location as set forth at the beginning of this Agreement. The Parties authorize Lender to elect the court at Lender's sole discretion.

WAIVER OF JURY TRIAL. All parties to this Agreement hereby knowingly and voluntarily waive, to the fullest extent permitted by law, any right to trial by jury of any dispute, whether in contract, tort, or otherwise, arising out of, in connection with, related to, or incidental to the relationship established between them in this Agreement or any other instrument, document or agreement executed or delivered in connection with this Agreement or the Related Documents.

ORAL AGREEMENTS DISCLAIMER. This Agreement represents the final agreement between the parties and may not be contradicted by evidence of prior, contemporaneous or subsequent oral agreements of the parties. There are no unwritten oral agreements between the parties.

ADDITIONAL PROVISIONS. Auto-Pay Requirements: You agree that as a condition of this loan you will maintain sufficient funds in your DDA Account to allow required payments to be deducted in accordance with the Auto-Pay requirements.

All financial statements delivered hereunder shall be prepared on the basis of generally accepted accounting principles and practices applied on a consistent basis. Each of the persons constituting Borrower shall deliver to Lender updated tax returns and financial statements annually.

Borrowers are required to provide complete federal tax returns on an annual basis. Annual financial statements should be submitted no later than 150 days after fiscal year end. Guarantor(s) are required to provide personal tax returns on an annual basis, within 15 days of filing. Guarantor(s) are required to provide a personal financial statement on the banks form each year the loan is outstanding. Failure to provide required financial information on or before the due date will trigger a monthly fee calculated by multiplying the outstanding principal balance by 125 basis points (not less than \$150/month; not to exceed \$2,500/month).



**COMMERCIAL LINE OF CREDIT
RENEWAL AGREEMENT AND NOTE**

Patriot Bank, N.A.
900 Bedford Street
Stamford, Connecticut 06901
(203)252-5900

LOAN NUMBER	AGREEMENT DATE	LINE OF CREDIT LIMIT	MATURITY DATE
9189462478	May 6, 2021	\$500,000.00	April 1, 2022
LOAN PURPOSE: Renewal of existing working capital Line of Credit,			

BORROWER INFORMATION

The Third Taxing District of the City of Norwalk
2 Second St
Norwalk, CT 06855

LINE OF CREDIT AGREEMENT AND NOTE. This Commercial Line of Credit Agreement and Note will be referred to in this document as the "Agreement."

LENDER. "Lender" means Patriot Bank, N.A. whose address is 900 Bedford Street, Stamford, Connecticut 06901, its successors and assigns.

BORROWER. "Borrower" means each person or legal entity identified above in the BORROWER INFORMATION section who signs this Agreement.

PROMISE TO PAY. For value received, receipt of which is hereby acknowledged, on or before the Maturity Date, the Borrower promises to pay the principal amount of Five Hundred Thousand and 00/100 Dollars (\$500,000.00) or such lesser amount as shall have been advanced by Lender, from time to time, to or on behalf of Borrower under the terms of this Agreement, and all interest on the outstanding principal balance and any other charges, including service charges, to the order of Lender at its office at the address noted above or at such other place as Lender may designate in writing. The Borrower will make all payments in lawful money of the United States of America.

RENEWAL. This Agreement is issued, not as a payment toward, but as a renewal and extension of, the obligations of Borrower to Lender pursuant to that certain Agreement dated July 12, 2013 in the principal amount of \$500,000.00 (together with all prior amendments thereto or restatements thereof "Prior Agreement"). This Agreement shall not be construed as a novation or extinguishment of the unpaid balance due in the sum of \$0.00.

PAYMENT SCHEDULE. This Agreement will be paid according to the following required payment schedule: Beginning on June 1, 2021, monthly payments of accrued and unpaid interest. The unpaid principal balance of this Note, together with all accrued interest and charges owing in connection therewith, shall be due and payable on the Maturity Date. All payments received by the Lender from the Borrower for application to this Agreement may be applied to the Borrower's obligations under this Agreement in such order as determined by the Lender.

INTEREST RATE AND SCHEDULED PAYMENT CHANGES. Interest will begin to accrue on May 6, 2021. The initial variable interest rate on this Agreement will be 3.250% per annum. This interest rate may change on May 7, 2021, and every day thereafter. Each date on which the interest rate may change is called the "Change Date." Prior to each Change Date, Lender will calculate the new interest rate based on the Wall Street Journal - Prime in effect on the Change Date (the "Index") plus 0.000 percentage points (the "Margin"). The interest rate will never be greater than 18.000% or less than 3.250%.

If the Index is not available at the time of the Change Date, Lender will choose a new Index which is based on comparable information. The Index is used solely to establish a base from which the actual rate of interest payable under the Agreement will be calculated, and is not a reference to any actual rate of interest charged by any lender to any particular borrower.

Nothing contained herein shall be construed as to require the Borrower to pay interest at a greater rate than the maximum allowed by law. If, however, from any circumstances, Borrower pays interest at a greater rate than the maximum allowed by law, the obligation to be fulfilled will be reduced to an amount computed at the highest rate of interest permissible under applicable law and if, for any reason whatsoever, Lender ever receives interest in an amount which would be deemed unlawful under applicable law, such interest shall be automatically applied to amounts owed, in Lender's sole discretion, or as otherwise allowed by applicable law. An increase in the interest rate will result in a higher payment amount. Interest on this Agreement is calculated on an **Actual/360** day basis. This calculation method results in a higher effective interest rate than the numeric interest rate stated in this Agreement.

LATE PAYMENT CHARGE. If any required payment is more than 10 days late, then at Lender's option, Lender will assess a late payment charge of 5.000% of the amount of the regularly scheduled payment then past due, subject to a minimum charge of \$25.00.

LINE OF CREDIT TERMS. At any time prior to the Maturity Date, the Borrower and Lender agree that the Borrower may request an advance under this Agreement up to a maximum amount equal to the Line of Credit Limit if before and after the request:

- The outstanding borrowings under this Agreement are not in excess of the Line of Credit Limit.
- An Event of Default does not exist
- The Lender is not precluded by law from making the advance.

Advances.

- Advances under this Agreement may be requested electronically or in writing by the Borrower or by an authorized person.
- The total of any pending advances requested and the unpaid principal amount, at any given time, cannot exceed the Line of Credit Limit.



- All advances made will be charged to a loan account in Borrower's name on Lender's books, and the Lender shall debit such account the amount of each advance made to, and credit to such account the amount of each repayment made by Borrower.

Suspension and Termination. Advances under this Agreement will be available until the earliest of any date or event described below occurs: (a) the Maturity Date, (b) the date the Line of Credit is canceled by Borrower, or (c) the date the Line of Credit is canceled by the Lender due to an occurrence of an Event of Default.

SECURITY TO NOTE. Security (the "Collateral") for this Agreement is granted pursuant to the following security document(s):

- Security Agreement dated May 6, 2021 evidencing security interest in Existing UCC filing on all assets of the Borrower and certain inventory, equipment, and property located at 6 Fitch St, Norwalk, CT (sub-station).

RIGHT OF SET-OFF. To the extent permitted by law, Borrower agrees that Lender has the right to set-off any amount due and payable under this Agreement, whether matured or unmatured, against any amount owing by Lender to Borrower including any or all of Borrower's accounts with Lender. This shall include all accounts Borrower holds jointly with someone else and all accounts Borrower may open in the future. Such right of set-off may be exercised by Lender against Borrower or against any assignee for the benefit of creditors, receiver, or execution, judgment or attachment creditor of Borrower, or against anyone else claiming through or against Borrower or such assignee for the benefit of creditors, receiver, or execution, judgment or attachment creditor, notwithstanding the fact that such right of set-off has not been exercised by Lender prior to the making, filing or issuance or service upon Lender of, or of notice of, assignment for the benefit of creditors, appointment or application for the appointment of a receiver, or issuance of execution, subpoena or order or warrant. Lender will not be liable for the dishonor of any check when the dishonor occurs because Lender set-off a debt against Borrower's account. Borrower agrees to hold Lender harmless from any claim arising as a result of Lender exercising Lender's right to set-off.

DISHONORED ITEM FEE. If Borrower makes a payment on the loan with a check or preauthorized charge which is later dishonored, a fee in the amount of \$20.00 will be charged.

RELATED DOCUMENTS. The words "Related Documents" mean all promissory notes, security agreements, mortgages, deeds of trust, deeds to secure debt, business loan agreements, construction loan agreements, resolutions, guaranties, environmental agreements, subordination agreements, assignments, and any other documents or agreements executed in connection with the indebtedness evidenced hereby this Agreement whether now or hereafter existing, including any modifications, extensions, substitutions or renewals of any of the foregoing. The Related Documents are hereby made a part of this Agreement by reference thereto, with the same force and effect as if fully set forth herein.

DEFAULT. Upon the occurrence of any one of the following events (each, an "Event of Default" or "default" or "event of default"), Lender's obligations, if any, to make any advances will, at Lender's option, immediately terminate and Lender, at its option, may declare all indebtedness of Borrower to Lender under this Agreement immediately due and payable without further notice of any kind notwithstanding anything to the contrary in this Agreement or any other agreement: (a) Borrower's failure to make any payment on time or in the amount due; (b) any default by Borrower under the terms of this Agreement or any other Related Documents; (c) any default by Borrower under the terms of any other agreement between Lender and Borrower; (d) the death, dissolution, or termination of existence of Borrower or any guarantor; (e) Borrower is not paying Borrower's debts as such debts become due; (f) the commencement of any proceeding under bankruptcy or insolvency laws by or against Borrower or any guarantor or the appointment of a receiver; (g) any default under the terms of any other indebtedness of Borrower to any other creditor; (h) any writ of attachment, garnishment, execution, tax lien or similar instrument is issued against any collateral securing the loan, if any, or any of Borrower's property or any judgment is entered against Borrower or any guarantor; (i) any part of Borrower's business is sold to or merged with any other business, individual, or entity; (j) any representation or warranty made by Borrower to Lender in any of the Related Documents or any financial statement delivered to Lender proves to have been false in any material respect as of the time when made or given; (k) if any guarantor, or any other party to any Related Documents terminates, attempts to terminate or defaults under any such Related Documents; (l) Lender has deemed itself insecure or there has been a material adverse change of condition of the financial prospects of Borrower or any collateral securing the obligations owing to Lender by Borrower. Upon the occurrence of an event of default, Lender may pursue any remedy available under any Related Document, at law or in equity.

GENERAL WAIVERS. To the extent permitted by law, the Borrower severally waives any required notice of presentment, demand, acceleration, intent to accelerate, protest, and any other notice and defense due to extensions of time or other indulgence by Lender or to any substitution or release of collateral. No failure or delay on the part of Lender, and no course of dealing between Borrower and Lender, shall operate as a waiver of such power or right, nor shall any single or partial exercise of any power or right preclude other or further exercise thereof or the exercise of any other power or right.

JOINT AND SEVERAL LIABILITY. If permitted by law, each Borrower executing this Agreement is jointly and severally bound.

SEVERABILITY. If a court of competent jurisdiction determines any term or provision of this Agreement is invalid or prohibited by applicable law, that term or provision will be ineffective to the extent required. Any term or provision that has been determined to be invalid or prohibited will be severed from the rest of this Agreement without invalidating the remainder of either the affected provision or this Agreement.

SURVIVAL. The rights and privileges of the Lender hereunder shall inure to the benefits of its successors and assigns, and this Agreement shall be binding on all heirs, executors, administrators, assigns, and successors of Borrower.

ASSIGNABILITY. Lender may assign, pledge or otherwise transfer this Agreement or any of its rights and powers under this Agreement without notice, with all or any of the obligations owing to Lender by Borrower, and in such event the assignee shall have the same rights as if originally named herein in place of Lender. Borrower may not assign this Agreement or any benefit accruing to it hereunder without the express written consent of the Lender.

ORAL AGREEMENTS DISCLAIMER. This Agreement represents the final agreement between the parties and may not be contradicted by evidence of prior, contemporaneous or subsequent oral agreements of the parties. There are no unwritten oral agreements between the parties.



GOVERNING LAW. This Agreement is governed by the laws of the state of Connecticut except to the extent that federal law controls.

HEADING AND GENDER. The headings preceding text in this Agreement are for general convenience in identifying subject matter, but have no limiting impact on the text which follows any particular heading. All words used in this Agreement shall be construed to be of such gender or number as the circumstances require.

ATTORNEYS' FEES AND OTHER COSTS. Borrower agrees to pay all of Lender's costs and expenses in connection with the enforcement of this Agreement including, without limitation, reasonable attorneys' fees, to the extent permitted by law.

ADDITIONAL PROVISIONS. A. So long as the commitment of the Lender shall be outstanding and until the payment in full of all Notes outstanding hereunder and the performance of all other obligations of the Borrower hereunder, the Company agrees that, unless the Lender shall otherwise consents in writing the Company will furnish the Lender from time to time, such further information regarding the affairs and financial condition of the Company as the Lender may reasonably request.

B. The Company shall maintain insurance in responsible companies in such amounts and against such risks as is satisfactory to the Lender, and, in any event, as are ordinarily carried by similar businesses; and, in the case of all policies insuring property in which Lender shall have a security interest of any kind, all such policies shall provide that the proceeds thereof shall be payable to Borrower and Lender, as their respective interests may appear. All said policies or certificates thereof, including all endorsements, shall be deposited with the Lender; and such policies shall contain provisions that no such insurance may be canceled or decreased without ten 10 days prior written notice to Lender. In the event of acquisition of additional insurable Collateral, Borrower shall cause such insurance coverage to be increased or amended in such manner and to such extent as prudent business judgment would dictate. If Borrower shall at any time or times hereafter fail to obtain and/or maintain any of the policies of insurance required herein, or fail to pay any premium in whole or in part relating to such policies, Lender may, but shall not be obligated to, obtain and/or cause to be maintained insurance coverage with respect to the Collateral, including, at Lender's option, the coverage provided by all or any of the policies of Borrower and pay all or any part of the premium therefor, without waiving any default by Borrower, and any sums so disbursed by Lender shall be additional Loans to Borrower by Lender payable on demand. Lender shall have the right to settle and compromise any-and all claims under any of the policies required to be maintained by Borrower hereunder and Borrower hereby appoints Lender as its attorney-in-fact, with power to demand, receive, and receipt for all monies payable thereunder, to execute in the name of Borrower or Lender or both any proof of loss, notice, draft, or other instruments in connection with such policies or any loss thereunder and generally to do and perform any and all acts as Borrower, but for this appointment, might or could perform.

WAIVER OF JURY TRIAL. All parties to this Agreement hereby knowingly and voluntarily waive, to the fullest extent permitted by law, any right to trial by jury of any dispute, whether in contract, tort, or otherwise, arising out of, in connection with, related to, or incidental to the relationship established between them in this Agreement or any other instrument, document or agreement executed or delivered in connection with this Agreement or the Related Documents.

WAIVER OF PREJUDGMENT REMEDY. Borrower/Pledgor voluntarily and knowingly, hereby waives all rights of notice and hearing in connection with the obtaining by Lender/Beneficiary of any prejudgment remedy, as allowed under Chapter 903A of the Connecticut General Statutes.

RATIFICATION AND CONTINUED VALIDITY. Except for the terms expressly modified by this Agreement, the undersigned Borrowers hereby acknowledge they are still bound by the terms of the instruments and prior modifications, extensions and supplements evidencing the existing debt as if they were fully set forth and repeated in this Agreement and that those terms will continue to bind the Borrowers as provided in this Agreement and those instruments. Consent to this Agreement does not waive the right to strictly enforce any rights under this Agreement or the instruments evidencing the existing debt. Consent to this Agreement does not require the Borrowers to enter into another Agreement like this one in the future. The Borrowers and Lender agree that this Agreement shall not be construed as a novation or extinguishment of the existing debt, but a restatement of the existing debt with modifications.

By signing this Agreement, Borrower acknowledges reading, understanding, and agreeing to all its provisions and receipt hereof.

The Third Taxing District of the City of Norwalk

By: Kevin Barber _____ Date _____
Its: General Manager

LENDER: Patriot Bank, N.A.

By: Paul W. Gehr _____ Date _____
Its: Sr. Vice President



**RESOLUTION
GOVERNMENTAL ENTITY**

**Patriot Bank, N.A.
900 Bedford Street
Stamford, Connecticut 06901
(203)252-5900**

LOAN NUMBER	RESOLUTION DATE
9189462478	May 6, 2021

GOVERNMENT AGENCY INFORMATION

The Third Taxing District of the City of Norwalk
2 Second St
Norwalk, CT 06855

GUARANTEED BORROWER INFORMATION

The Third Taxing District of the City of Norwalk
2 Second St
Norwalk, CT 06855

By signing below, I certify to Patriot Bank, N.A. ("Lender") that: I am the properly elected or appointed General Manager of The Third Taxing District of the City of Norwalk, which is properly established and existing under the laws of the State of Connecticut; the adoption and execution of this Resolution is permitted and in accordance with law and authority of The Third Taxing District of the City of Norwalk, as in effect as of the date of this Resolution to the Lender; this Resolution was properly adopted at and contained in the minutes of a duly called meeting of The Third Taxing District of the City of Norwalk, on May 6, 2021. The Resolution is still in force and effect and has not been amended or rescinded; the Lender may rely upon our certification as to our authority to adopt and execute this Resolution and to make the representation in this Resolution; provided below are the correct titles and names and the genuine signatures of the persons authorized to exercise the powers provided in the Resolution ("Authorized Signers") and we have the power and authority to make this certification and to execute this Resolution.

IT IS RESOLVED:

The Authorized Signers shall possess the powers indicated as contained in this Resolution. Each power has a designated Authority Code that indicates the powers available to each Authorized Signer.

NAME/TITLE	SIGNATURE	AUTHORITY CODE/LIMITATIONS
Kevin Barber General Manager		L1, L2, L3, L4, L5, L6, L7, L8

BORROW MONEY. [Authority Code - L1] As in their judgment, to borrow from time to time from Lender, on such terms as may be agreed upon between the Governmental Entity and Lender, such sum or sums of money without limitation.

Number of signers required: 1

EXECUTE NOTES. [Authority Code - L2] To execute and deliver to Lender the promissory note(s), or other evidence of credit accommodations of the Governmental Entity, on Lender's forms, at such rates of interest and on such terms as may be agreed upon evidencing the sums of money so borrowed or any indebtedness of the Governmental Entity to Lender, and also to execute and deliver to Lender one or more renewals, extensions, modifications, refinancings, consolidations, or substitutions for one or more of the notes, any portion of the notes, or any other evidence of credit accommodations.

Number of signers required: 1

GRANT SECURITY. [Authority Code - L3] To mortgage, pledge, transfer, endorse, hypothecate, or otherwise encumber and deliver to Lender, as security for the payment of any loans or credit accommodations so obtained, any promissory notes so executed including any amendments to or modifications, renewals, and extensions of such promissory notes, or any other or further indebtedness of the Governmental Entity or any third party to Lender at any time owing, however the same may be evidenced, any property now or hereafter belonging to the Governmental Entity or in which the Governmental Entity now or hereafter may have an interest, including without limitation all real property and all personal property (tangible or intangible) of the Governmental Entity. Such property may be mortgaged, pledged, transferred, endorsed, hypothecated, or encumbered at the time such loans are obtained or such indebtedness is incurred, or at any other time or times, and may be either in addition or in lieu of any property theretofore mortgaged, pledged, transferred, endorsed, hypothecated, or encumbered.

Number of signers required: 1

EXECUTE SECURITY DOCUMENTS. [Authority Code - L4] To execute and deliver to Lender the forms of mortgage, deed of trust, pledge, agreement, hypothecation agreement, and other security agreements and financing statements which may be submitted by Lender, and which shall evidence the terms and conditions under and pursuant to which liens and encumbrances, or any of them are



given; and also to execute and deliver to Lender any authorizations and other written instruments, any chattel paper, or any other collateral, of any kind or nature, which they may at their discretion deem reasonably necessary or proper in connection with or pertaining to the giving and perfecting of liens and encumbrances.

Number of signers required: 1

NEGOTIATE ITEMS. [Authority Code - L5] To draw, endorse, and discount with Lender all drafts, trade acceptances, promissory notes, or other evidences of indebtedness payable to or belonging to the Governmental Entity in which the Governmental Entity may have an interest, and either to receive cash for the same or to cause such proceeds to be credited to the account of the Governmental Entity with Lender, or to cause such other disposition of the proceeds derived therefrom as they may deem advisable.

Number of signers required: 1

ADVANCE UNDER LINE OF CREDIT. [Authority Code - L6] In the case of lines of credit, to designate additional or alternative individuals as being authorized to request advances thereunder, and in all cases, to perform such other acts and things, to pay any and all fees and costs, and to execute and deliver such other documents and agreements, (including agreements waiving the right to a trial by jury) as they may in their discretion deem reasonably necessary or proper in order to carry into effect the provisions of these Resolutions. The person indicated herein are currently authorized to request advances and authorize payments under the line of credit until Lender receives written notice or revocation of their authority.

Number of signers required: 1

GUARANTEE INDEBTEDNESS. [Authority Code - L7] To give the guarantee of this Governmental Entity for the debts of the Guaranteed Borrower to Lender, from time to time, on Lender's forms and upon such terms as this Governmental Entity, Guaranteed Borrower, and Lender may deem necessary.

Number of signers required: 1

ENTER INTO LEASE AGREEMENTS. [Authority Code - L8] To enter into any form of personal property or fixture lease with Lender, upon such terms as this Governmental Entity and Lender may agree.

Number of signers required: 1

IT IS FURTHER RESOLVED THAT:

AUTHORIZED SIGNER'S POWERS. Authorized Signers are authorized to make any and all other contracts, agreements, stipulations, and orders which the Authorized Signers may deem advisable for the effective exercise of their powers.

SIGNATURES. The Lender shall be indemnified and held harmless by the Governmental Entity for any claims, expenses, damages or attorney fees resulting from the honoring of any signature, authorized by this Resolution, or refusing to honor any signature not so authorized, regardless of whether or not such signature was genuine, if such signature reasonably resembles the specimen provided to the Lender. The Lender shall also be permitted to rely upon non-signature security and verification codes which it provides to or receives from an Authorized Signer and shall be indemnified and held harmless by the Governmental Entity for any claims, expenses, damages or attorney fees resulting from their use.

IMPROPER ENDORSEMENT. Any negotiable instrument, check, draft, or order for the payment of moneys not clearly endorsed by the Authorized Signer may be returned to the Governmental Entity by the Lender. The Lender, in its sole discretion, alternatively may endorse on behalf of the Governmental Entity any negotiable instrument, check, draft, or order for the payment of money not clearly endorsed in order to facilitate collection. Lender shall have no liability for any delay in the presentment or return of any negotiable instrument, check, draft, or order for the payment of money which is not properly endorsed.

DISPOSITION OF FUNDS. When withdrawal or transfer powers are granted to an Authorized Signer, the Lender is directed and authorized to act upon and honor withdrawal or transfer instructions issued and to honor, pay, transfer from and charge to any depository account(s) of the Governmental Entity, all negotiable instruments, checks, drafts, or orders for the payment of money so drawn when signed consistent with the Resolution without inquiring as to the disposition of the proceeds or the circumstances surrounding the issuance of the negotiable instrument, check or order for the payment of money involved, whether such negotiable instruments, checks, drafts, or orders for the payment of money are payable to the order of, or endorsed or negotiated by any Authorized Signer signing them or any Authorized Signer in their individual capacities or not, and whether they are deposited to the individual credit of or tendered in payment of the individual obligation or account of any Authorized Signer signing them or of any other Authorized Signer.

PRIOR ENDORSEMENTS. All negotiable instruments, checks, drafts, or orders for the payment of money deposited with prior endorsements are guaranteed by the Governmental Entity.

PRE-RESOLUTION TRANSACTIONS. All actions by Authorized Signers in accordance with this Resolution but before the adoption of this Resolution are approved, ratified, adopted and confirmed by the Governmental Entity.

WARRANTY. The Lender may rely upon the certification as to the authority of the Governmental Entity to execute this Resolution and make the representations in this Resolution.

NOTIFICATION OF CHANGES. The Governmental Entity shall notify Lender in writing at its address shown above in advance of any changes which would affect the validity of any matter certified in this Resolution.

REVOCATION AND MODIFICATION. An act ("Act") to modify, terminate, amend or replace this Resolution will not immediately affect the ability of the Lender to rely upon this Resolution. The Act shall not affect any action by the Lender in reliance on this Resolution before the date the Act becomes effective as set forth in the next sentence. An Act will not become effective until all of the



following occur: (a) Lender receives written notification of the Act in form and substance satisfactory to Lender and (b) the Lender has had a reasonable period of time to act upon such notification. Until the Act is effective, this Resolution shall remain in full force and bind the Governmental Entity, its legal representatives, heirs, successors and assigns.

FACSIMILE SIGNATURES. The Lender shall be entitled to honor and charge the Governmental Entity for all such negotiable instrument, checks, drafts, or other orders for payment of money drawn in the name of the Governmental Entity, on its regular accounts, including an order for electronic debit, whether by electronic tape or otherwise, regardless of by whom or by what means facsimile signatures or other non-manual signature (collectively, "Facsimile Signatures") may have been affixed, or electronically communicated, if such Facsimile Signatures resembles the specimens duly certified to or filed with the Lender for any of the named Authorized Signers, regardless of whether any misuse is with or without the negligence of the Governmental Entity. The Governmental Entity agrees that the duty of maintaining the security of any such Facsimile Signatures or device by which it is affixed is solely that of the Governmental Entity.

IN WITNESS WHEREOF, I, Kevin Barber, have hereunto subscribed my name as General Manager of The Third Taxing District of the City of Norwalk and hereby acknowledge that the above Authorized Signer has authority to exercise the powers provided in this Resolution on May 6, 2021.

By: Kevin Barber
Its: General Manager

Date

DRAFT



COMMERCIAL SECURITY AGREEMENT

Patriot Bank, N.A.
900 Bedford Street
Stamford, Connecticut 06901
(203)252-5900

LOAN NUMBER	AGREEMENT DATE	
9189462478	May 6, 2021	

BORROWER INFORMATION

The Third Taxing District of the City of Norwalk
2 Second St
Norwalk, CT 06855

COLLATERAL OWNER INFORMATION

The Third Taxing District of the City of Norwalk
2 Second St
Norwalk, CT 06855

AGREEMENT. For purposes of this document, the term "Agreement" is used when reference is made to this Commercial Security Agreement.

LENDER. "Lender" means Patriot Bank, N.A. whose address is 900 Bedford Street, Stamford, Connecticut 06901, its successors and assigns.

DEBTOR. For purposes of this Agreement, "Debtor" refers to any party to this Agreement, whose name and address is recited above, and who executes this Agreement.

SECURITY INTEREST GRANT. Debtor, in consideration of the Obligations to Lender, as defined in the "OBLIGATIONS" provision below, hereby agrees to all of the terms of this Agreement and further hereby specifically grants Lender a continuing security interest in the Collateral as defined in the "DESCRIPTION OF COLLATERAL" provision below. Debtor further grants Lender a security interest in the proceeds of said Collateral; the proceeds of hazard insurance and eminent domain or condemnation awards involving the Collateral; all products of, and accessions to, such Collateral or interests therein; any and all deposits or other sums at any time credited by or due from Lender to Debtor; and any and all instruments, documents, policies, and certificates of insurance, securities, goods, accounts receivable, choses in action, chattel paper, cash, property, and the proceeds thereof (whether or not the same are Collateral or proceeds thereof hereunder), owned by Debtor or in which Debtor has an interest which are now or at any time hereafter in possession or control of Lender, or in transit by mail or carrier to or from Lender, or in possession of any third party acting on Lender's behalf, without regard to whether Lender received the same in pledge, for safekeeping, as agent or otherwise, or whether Lender has conditionally released the same. Debtor's grant of a continuing security interest in the foregoing described Collateral secures to Lender the payment of all loans, advances, and extensions of credit from Lender to Borrower, including all renewals and extensions thereof, and any and all obligations of every kind whatsoever, whether heretofore, now, or hereafter existing or arising between Lender and Borrower and howsoever incurred or evidenced, whether primary, secondary, contingent, or otherwise.

OBLIGATIONS. As used in this Agreement, the term "Obligations" shall mean any and all of Debtor's obligations to Lender, whether they arise under this Agreement or the note, loan agreement, guaranty, or other evidence of debt executed in connection with this Agreement, or under any other mortgage, trust deed, deed of trust, security deed, security agreement, note, lease, instrument, contract, document, or other similar writing heretofore, now, or hereafter executed by the Borrower to Lender, including any renewals, extensions and modifications thereof, and including oral agreements and obligations arising by operation of law. The Obligations shall also include all expenditures that Lender may make under the terms of this Agreement or for the benefit of Borrower or Debtor, all interest, costs, expenses, and attorneys' fees accruing to or incurred by Lender in enforcing the Obligations or in the protection, maintenance, preservation, or liquidation of the Collateral, and any of the foregoing that may arise after the filing of any petition by or against Borrower or Debtor under the Bankruptcy Code, irrespective of whether the obligations do not accrue because of the automatic stay under Bankruptcy Code Section 362 or otherwise.

RELATED DOCUMENTS. The words "Related Documents" mean all promissory notes, security agreements, prior mortgages, prior deeds of trust, prior deeds to secure debt, business loan agreements, construction loan agreements, resolutions, guaranties, environmental agreements, subordination agreements, assignments of leases and rents and any other documents or agreements executed in connection with this Agreement whether now or hereafter existing, including any modifications, extensions, substitutions or renewals of any of the foregoing. The Related Documents are hereby made a part of this Agreement by reference thereto, with the same force and effect as if fully set forth herein.

DESCRIPTION OF COLLATERAL. The collateral covered by this Agreement (the "Collateral") is all of Debtor's assets including, without limitation, documents, documents of title (including, without limitation, warehouse receipts and bills of lading), "As-Extracted Collateral," "Fixtures," "Goods," and all of the Debtor's property described below which the Debtor now owns or may hereafter acquire or create and all proceeds and products thereof, whether tangible or intangible, including proceeds of insurance and which may include, but shall not be limited to, any items listed on any schedule or list attached hereto.

Equipment. "Equipment" shall consist of all goods of the Debtor that are not inventory, farm products, or consumer goods. Equipment includes, but is not limited to, all equipment and fixtures of every nature and description whatsoever, now owned or hereafter acquired by Debtor, wherever located, including all machinery, manufacturing equipment, shop equipment, furnishings, furniture, record keeping equipment, and vehicles, together with all accessions, parts, embedded software, attachments, accessories, tools, and dies, or



appurtenances thereto intended for use in connection therewith, and all substitutions, betterments, and replacements thereof and additions thereto.

Accounts. "Accounts" consist of the Debtor's right to payment of a monetary obligation, whether or not earned by performance, (i) for property that has been or is to be sold, leased, licensed, assigned, or otherwise disposed of; (ii) for services rendered or to be rendered; (iii) for a policy of insurance issued or to be issued; (iv) for a secondary obligation incurred or to be incurred; (v) for energy provided or to be provided; (vi) for the use or hire of a vessel under a charter or other contract; (vii) arising out of the use of a credit card or charge card or information contained on or for use with the card; (viii) as winnings in a lottery or other game of chance operated or sponsored by a state, governmental unit of a state, or person licensed or authorized to operate the game by a state or governmental unit of a state; or (ix) for health-care-insurance receivables.

Inventory. "Inventory" consists of all inventory and goods, other than farm products, which (i) are leased by Debtor as lessor, (ii) are held by Debtor for sale or lease or to be furnished under a contract of service, (iii) are furnished by Debtor under a contract of service, or (iv) consist of raw materials, work in process, or materials used or consumed in business.

Instruments. "Instruments" consist of all negotiable instruments and other writings owned or acquired by the Debtor that evidence a right to the payment of a monetary obligation, and are of a type that in the ordinary course of business are transferred by delivery with all necessary endorsements or assignments. Instruments are not themselves security agreements or leases. The term does not include investment property, letters of credit, or writings that evidence a right to payment arising out of the use of a credit or charge card or information contained on or for use with the card.

General Intangibles. "General Intangibles" shall consist of all personal property now owned or hereafter acquired by the Debtor, including things in action, other than accounts, chattel paper, commercial tort claims, deposit accounts, goods, instruments, investment property, letter of credit rights, letters of credit, money, and oil, gas, or other minerals before extraction. General Intangibles shall also include all payment intangibles now held or hereafter acquired by Debtor and all software now owned or hereafter acquired by Debtor, which is not encompassed by the term "Goods," and all supporting information pertaining or relating thereto. General Intangibles include, but are not limited to, intellectual property, rights that arise under a license of intellectual property, including the right to exploit the intellectual property without liability for infringement, and the right to payment of a loan of funds that is not evidenced by chattel paper or an instrument.

Investment Property. "Investment Property" shall consist of all securities, whether certificated or uncertificated, security entitlements, securities accounts, commodities contracts, and commodities accounts now held or hereafter acquired by the Debtor, together with all contracts, instruments, and general intangibles related thereto and all monies, income, proceeds, and benefits attributable or accruing to said property, including, but not limited to, all stock rights, options, rights to subscribe, dividends, liquidating dividends, stock dividends, dividends paid in stock, new securities, and the properties and benefits to which the Debtor is, or may hereafter become, entitled to receive on account of said property.

Chattel Paper. "Chattel Paper" shall consist of all records now held or hereafter acquired by Debtor that evidence both a monetary obligation and a security interest in specific goods, a security interest in specific goods and software used in the goods, a security interest in specific goods and license of software used in the goods, a lease of specific goods, or a lease of specific goods and license of software used in the goods. In this paragraph, "monetary obligation" means a monetary obligation secured by the goods or owed under a lease of the goods and includes a monetary obligation with respect to software used in the goods. The term does not include (i) charters or other contracts involving the use or hire of a vessel, or (ii) records that evidence a right to payment arising out of the use of a credit card or charge card of information contained on or for use with the card. If a transaction is evidenced by records that include an instrument or series of instruments, the group of records taken together constitutes chattel paper. The definition of chattel paper includes electronic chattel paper. Debtor agrees that it will assist Lender in obtaining control of electronic chattel paper by (i) creating a single authoritative copy of the record(s) existing which is unique and identifiable, (ii) ensuring that the authoritative copy identifies the Lender as the assignee of the record(s), and (iii) ensuring that the authoritative copy is communicated to and maintained by the Lender or its designated custodian. Copies or revisions that add or change an identified assignee of the authoritative copy can be made only with the participation of the Lender. Debtor agrees that each copy or authoritative copy and any copy of a copy shall be readily identifiable as a copy that is not the authoritative copy, and any revision of any authoritative copy is readily identifiable as an authorized or unauthorized revision.

Titled Vehicle. "Titled Vehicle" consists of any and all vehicle(s) and all additions and accessions to the vehicle(s), and any replacements and substitutions of the vehicle(s). It also includes all documents of title related to the vehicle(s) as well as all products, rents, and proceeds of the vehicle(s).

Deposit Accounts. "Deposit Accounts" shall consist of all demand, time, savings, passbook, and similar deposit accounts which are now or are hereafter held by the Debtor in Lender's institution, or maintained in another bank ("Bank") and for which Debtor, Lender and Bank have entered into a duly executed Control Agreement (as used herein, the term "Bank" means an organization that is engaged in the business of banking, and includes banks, savings banks, savings and loan associations, credit unions, and trust companies), unless the deposit is a type of qualifying tax-deferred account as defined in the Internal Revenue Code, as currently in effect and amended from time to time (e.g., Individual Retirement Arrangements, qualified retirement plans, Health Savings Accounts, etc.).

Specific Collateral. "Specific" refers to the specific property, together with all related rights, described below.

SPECIFIC COLLATERAL DESCRIPTION: Existing UCC filing on all assets of the Borrower and certain inventory, equipment, and property located at 6 Fitch St, Norwalk, CT (sub-station).

WARRANTIES. The Debtor warrants the following: Debtor has or will acquire free and clear title to all of the Collateral, unless otherwise provided herein; the security interest granted to the Lender shall be a first security interest unless the Lender specifically agrees otherwise, and



the Debtor will defend same to the Lender against the claims and demands of all persons; the Debtor will fully cooperate in placing, perfecting, or maintaining Lender's lien or security interest; the Debtor agrees to take whatever actions requested by Lender to perfect and continue Lender's security interest on the Collateral; the Debtor agrees not to allow or permit any lien, security interest, adverse claim, charge, or encumbrance of any kind against the Collateral or any part thereof, without the Lender's prior written consent; all of the Collateral is located in the state of the Debtor's address specified at the beginning of this Agreement, unless otherwise certified to and agreed to by the Lender, or, alternatively, is in possession of the Lender; the Debtor will not remove or change the location of any Collateral without the Lender's prior written consent; the Debtor will use the Collateral only in the conduct of its own business, in a careful and proper manner; the Debtor will not use the Collateral or permit it to be used for any unlawful purpose; except as otherwise provided in this Agreement with respect to inventory, Debtor will not, without the Lender's prior written consent, sell, assign, transfer, lease, charter, encumber, hypothecate, or dispose of the Collateral, or any part thereof, or any interest therein, nor will Debtor offer to sell, assign, transfer, lease, charter, encumber, hypothecate, or dispose of the Collateral, or any part thereof, or any interest therein; the Debtor will not conduct business under any name other than that given at the beginning of this Agreement, nor change, nor reorganize the type of business entity as described, except upon the prior written approval of the Lender, in which event the Debtor agrees to execute any documentation of whatsoever character or nature demanded by the Lender for filing or recording, at the Debtor's expense, before such change occurs; the information regarding Debtor's state of organization or formation as set forth in the Resolution is correct, and Debtor further warrants that Debtor will not change Debtor's state of organization or formation without Lender's prior written consent and will assist Lender with any changes to any documents, filings, or other records resulting or required therefrom; the Debtor will keep all records of account, documents, evidence of title, and all other documentation regarding its business and the Collateral at the address specified at the beginning of this Agreement, unless notice thereof is given to the Lender at least ten (10) days prior to the change of any address for the keeping of such records; the Debtor will, at all times, maintain the Collateral in good condition and repair and will not sell or remove same except as to inventory in the ordinary course of business; all financial information and statements delivered by the Debtor to the Lender to obtain loans and extensions of credit are true and correct and are prepared in accordance with generally accepted accounting principles; there has been no material adverse change in the financial condition of the Debtor since it last submitted any financial information to the Lender; there are no actions or proceedings, including set-off or counterclaim, which are threatened or pending against the Debtor which may result in any material adverse change in the Debtor's financial condition or which might materially affect any of the Debtor's assets; and the Debtor has duly filed all federal, state, municipal, and other governmental tax returns, and has obtained all licenses, permits, and the like which the Debtor is required by law to file or obtain, and all such taxes and fees for such licenses and permits required to be paid, have been paid in full.

INSURANCE. The Debtor agrees that it will, at its own expense, fully insure the Collateral against all loss or damage for any risk of whatsoever nature in such amounts, with such companies, and under such policies as shall be satisfactory to the Lender. All policies shall expressly provide that the Lender shall be the loss payee or, alternatively, if requested by Lender, mortgagee. The Lender is granted a security interest in the proceeds of such insurance and may apply such proceeds as it may receive toward the payment of the Obligations, whether or not due, in such order as the Lender may in its sole discretion determine. The Debtor agrees to maintain, at its own expense, public liability and property damage insurance upon all its other property, to provide such policies in such form as the Lender may approve, and to furnish the Lender with copies of other evidence of such policies and evidence of the payments of the premiums thereon. All policies of insurance shall provide for a minimum 10 days' written notice of cancellation to Lender. At the request of Lender, such policies of insurance shall be delivered to and held by Lender. Debtor agrees that Lender is authorized to act as attorney for Debtor in obtaining, adjusting, settling, and canceling such insurance and endorsing any drafts or instruments issued or connected with such insurance. Debtor specifically authorizes Lender to disclose information obtained in conjunction with this Agreement and from policies of insurance to prospective insurers of the Collateral. If the Debtor at any time fails to obtain or to maintain any of the insurance required above or pay any premium in whole or in part relating thereto, the Lender, without waiving any default hereunder, may make such payment or obtain such policies as the Lender, in its sole discretion, deems advisable to protect the Debtor's property. All costs incurred by the Lender, including reasonable attorneys' fees, court costs, expenses, and other charges thereby incurred, shall become a part of the Obligations and shall be payable on demand.

ACCOUNTS. As of the time any account becomes subject to the security interest (or pledge or assignment as applicable) granted hereby, Debtor shall be deemed further to have warranted as to each and all of such accounts as follows: (a) each account and all papers and documents relating thereto are genuine and in all respects what they purport to be; (b) each account is valid and subsisting and arises out of a bona fide sale of goods sold and delivered to, or out of and for services theretofore actually rendered by Debtor to, the account debtor named in the account or other bona fide transaction; (c) the amount of the account represented as owing is the correct amount actually and unconditionally owing except for normal cash discounts and is not subject to any setoffs, credits, defenses, or countercharges; and (d) Debtor is the owner thereof free and clear of any charges, liens, security interests, adverse claims, and encumbrances of any and every nature whatsoever.

Lender shall have the right in its own name or in the name of the Debtor, whether before or after default, to require Debtor: (1) to transmit all proceeds of collection of accounts to Lender; (2) to notify any and all account debtors to make payments of the accounts directly to Lender; (3) to demand, collect, receive, receipt for, sue for, compound, and give acquittal for, any and all amounts due or to become due on the accounts and to endorse the name of the Debtor on all commercial paper given in payment or part payment thereof; and (4) in Lender's discretion, to file any claim or take any other action or proceeding that Lender may deem necessary or appropriate to protect and preserve and realize upon the accounts and related Collateral.

Unless and until Lender elects to collect accounts, and the privilege of Debtor to collect accounts is revoked by Lender in writing, Debtor shall continue to collect accounts, account for same to Lender, shall not commingle the proceeds of collections of accounts with any funds of the Debtor, and shall deposit such proceeds in an account with Lender. In order to assure collection of accounts in which Lender has an interest hereunder, Lender may notify the post office authorities to change the address for delivery of mail addressed to Debtor to such address as Lender may designate, open and dispose of such mail, and receive the collections of accounts included therewith. Lender shall have no duty or obligation whatsoever to collect any account or to take any other action or preserve or protect the Collateral; however, should Lender elect to collect any account or take possession of the Collateral, Debtor releases Lender from any claim or claims for loss or damage arising from any act



or omission in connection therewith, and costs of collection incurred by Lender shall be an obligation secured hereby and constitute a portion of the Obligations.

Upon request by Lender, whether before or after default, Debtor shall take such action and execute and deliver such documents as Lender may reasonably request in order to identify, confirm, mark, segregate, and assign accounts and to evidence Lender's interest in same. Without limiting the foregoing Debtor, upon request, agrees to assign accounts to Lender, identify and mark accounts as being subject to the security interest for pledge (or assignment as applicable) granted hereby, mark Debtor's books and records to reflect such assignments, and forthwith to transmit to Lender in the form as received by Debtor any and all proceeds of collection of such accounts.

Debtor will deliver to Lender, prior to the 10th day of each month, or with such other frequency as Lender may request, a written report in form and content satisfactory to Lender, showing a listing and aging of accounts and such other information as Lender may request from time to time. Debtor shall immediately notify Lender of the assertion by any account debtor of any setoff, defense, or claim regarding an account or any other matter adversely affecting an account.

Returned or repossessed goods arising from or relating to any accounts included within the Collateral shall, if requested by Lender, be held separate and apart from any other property. Debtor, on request by Lender, but not less than weekly even though no request has been made, shall report to Lender identifying information with respect to any such goods relating to accounts included in transactions under this Agreement.

INVENTORY. Debtor will deliver to Lender prior to the 10th day of each month, or on such other frequency as Lender may request, a written report in form and content satisfactory to Lender, with respect to the preceding month or other applicable period showing Debtor's opening inventory, inventory acquired, inventory sold, inventory returned, inventory used in Debtor's business, closing inventory, and other inventory not with the preceding categories, and such other information as Lender may request from time to time. Debtor shall immediately notify Lender of any matter adversely affecting the inventory, including, without limitation, any event causing loss or depreciation in the value of the inventory and the amount of such possible loss or depreciation.

Debtor will promptly notify Lender in writing of any addition to, change in, or discontinuance of its place(s) of business as shown in this Agreement, and the location of the office where it keeps its records. All Collateral will be located at the place(s) of business shown herein, as modified by any written notice(s) given pursuant hereto.

Unless and until the privilege of Debtor to use inventory in the ordinary course of Debtor's business is revoked by Lender in the event of default or if Lender deems itself insecure, Debtor may use the inventory in any manner not inconsistent with this Agreement, may sell that part of the Collateral consisting of inventory provided that all such sales are in the ordinary course of business, and may use and consume any raw materials or supplies that are necessary in order to carry on Debtor's business. A sale in the ordinary course of business does not include a transfer in partial or total satisfaction of a debt.

All accounts that arise from the sale of the inventory included within the Collateral shall be subject to all of the terms and provisions hereof pertaining to accounts.

Debtor shall take all action necessary to protect and preserve the inventory.

INSTRUMENTS. Debtor shall immediately deliver to Lender all instruments included in the Collateral. Negotiable instruments shall be endorsed to the order of Lender. With respect to other writing(s) evidencing a right to the payment of money that, in the ordinary course of business, is transferred by delivery with any necessary endorsement or assignment, Debtor shall deliver to Lender and to any third-party issuer a document of assignment in a form and content satisfactory to Lender assigning the Debtor's rights in the said writing(s), and the third-party issuer shall acknowledge receipt of notice of the assignment.

Debtor agrees that Lender may, at any time (whether before or after default) and in its sole discretion, surrender for payment and obtain payment of any portion of the Collateral.

Any and all replacement instruments and other benefits and proceeds related to the Collateral that are received by the Debtor shall be held by Debtor in trust for lender and immediately delivered to Lender to be held as part of the Collateral.

DEPOSIT ACCOUNTS. Debtor shall immediately deliver to Lender all certificated certificates of deposit included in the Collateral. Negotiable certificates of deposit shall be endorsed to the order of Lender. Debtor shall execute any and all other documents necessary to provide an appropriate security interest in any account with Lender. With respect to deposit accounts held in another Bank, Debtor shall deliver to Lender a control agreement ("Control Agreement") in a form and content satisfactory to Lender assigning the Debtor's rights in the deposit account to Lender, and the Bank shall acknowledge receipt of the Control Agreement. The Control Agreement must be in a form that provides that the Bank will comply with any instruction originated by the Lender directing disposition of funds in the Deposit Account without further consent of the Debtor. The form of Control Agreement must be in a form satisfactory to the Lender, and must provide that said Bank will comply with a directive originated by the Lender and will not comply with any directive of the Debtor without the additional written consent of the Lender.

Debtor agrees that Lender may, at any time (whether before or after default) and in its sole discretion, surrender for payment and obtain payment of any portion of the Collateral, whether such have matured or the exercise of the Lender's rights results in a loss of interest or principal or other penalty on such deposits, and, in connection therewith, cause payments to be made directly to Lender.

Any and all replacement or renewal certificates and other benefits and proceeds related to the Collateral that are received by the Debtor shall be held by Debtor in trust for Lender and immediately delivered to Lender to be held as part of the Collateral.

Without limiting the foregoing, it is specifically understood and agreed that Lender shall have no responsibility for ascertaining any maturities or similar matters relating to any of the Collateral or for informing Debtor with respect to any such matters (irrespective of whether lender actually has, or may be deemed to have, knowledge thereof).



INVESTMENT PROPERTY. Immediately upon the execution of this Agreement or Debtor's acquiring rights in the Collateral, Debtor shall: (a) If the Collateral includes certificated securities to Lender and if the certificate is in registered form, register it in the name of Lender or deliver to Lender with the certificate a stock power satisfactory in form and substance to Lender. (b) If the Collateral includes uncertificated securities directly held by Debtor, transfer such securities from Debtor to Lender on the books of the issuer or cause the issuer to enter into and deliver to Lender a control agreement with Debtor and Lender, having a form and substance satisfactory to Lender, providing that issuer will comply with instructions originated by Lender without further consent of the registered owner and issuer will not follow instructions originated by Debtor without the Lender's written consent. (c) If the Collateral includes security entitlements, security accounts, or commodity accounts, cause the Lender to become the holder of the entitlements or accounts or cause the securities intermediary and/or the commodity intermediary to enter into and deliver to Lender an agreement with Debtor and Lender, in a form and substance satisfactory to Lender, providing that said intermediary will comply with entitlements or orders originated by Lender without further consent by Debtor and will not comply with orders originated by Debtor without Lender's written consent. (d) If the Collateral includes commodity contracts, cause the commodity intermediary to enter into and deliver to Lender an agreement with Debtor and Lender, in a form and substance satisfactory to Lender, that said intermediary will apply any value distributed on account of the commodity contract as directed by Lender without further consent by the commodity customer and will not comply with orders originated by Debtor without Lender's written consent.

Upon demand by Lender, Debtor shall execute, assign, and endorse all proxies, applications, acceptances, stock powers, chattel paper, documents, instruments, or other evidence of payment or writing constituting or relating to any of the Collateral, all in such form and substance as may be satisfactory to Lender.

Lender shall also have a security interest in all investment property, rights, and interest of every description at any time issued or issuable as an addition to, in substitution of exchange for, or with respect to the Collateral, including, without limitation, shares issued as dividends or as the result of any reclassifications, merger, spin-off, or other reorganization. Debtor shall deliver promptly to Lender in the exact form received, any such securities or other property which come into the possession, custody, or control of Debtor, and shall with respect to such property transfer control to Lender in accord with the paragraphs above.

In its discretion and without notice to Debtor, the Lender may take any one or more of the following actions, without liability except to account for the property actually received: (a) transfer or register in its name or the name of its nominee any of the Collateral, with or without liability except to account for the property actually received; (b) transfer or register in its name or the name of its nominee any of the Collateral, with or without identification of the security interest herein created, and whether or not so transferred or registered, receive the income, dividends and other distributions thereon and hold them to apply them to the Obligations in any order of priority; (c) to the fullest extent possible under applicable law, exercise or cause to be exercised all voting and corporate powers with respect to any of the Collateral, including all rights of conversion, exchange, subscription, and any other rights, privileges, or options pertaining to such Collateral, as if the absolute owner thereof; (d) exchange any of the Collateral for other property upon a reorganization, recapitalization, or other readjustment and, in connection therewith, deposit any of the Collateral with any committee or depository upon such terms as the Lender may determine; and (e) in its absolute discretion to exercise or to withhold the exercise of any of the rights, powers, privileges, and options expressly or implicitly granted to the Lender in this Agreement, without duty to do so and without responsibility for any failure to do so or to delay in so doing.

Without limiting any other right of Lender, on default the Lender may, to the fullest extent permitted by applicable law, without notice, advertisement, hearing, or process of law of any kind, sell any or all of the Collateral, free of all rights and claims of the Debtor therein or thereto, on any recognized market or exchange at any price reasonably consistent with the market price occurring at the time of the sale of the Collateral and, notwithstanding any recent or current decreases or increases in that market price, the sale of the Collateral on such recognized market or exchange shall be deemed reasonable if conducted under ordinary terms regardless of how soon after default the Lender sells such Collateral.

ADDITIONAL COLLATERAL. In the event that Lender should, at any time, determine that the Collateral or Lender's security interest in the Collateral is impaired, insufficient, or has declined or may decline in value, or if Lender should deem that payment of the Obligations is insecure, time being of the very essence, then Lender may require, and Debtor agrees to furnish, additional Collateral that is satisfactory to Lender. Lender's request for additional collateral may be oral or in writing delivered by United States mail addressed to Debtor and shall not affect any other subsequent right of the Lender to request additional Collateral.

FINANCING STATEMENT(S) AND LIEN PERFECTION. Lender is authorized to file a conforming financing statement or statements to perfect its security interest in the Collateral, as provided in Revised Article 9, Uniform Commercial Code - Secured Transactions. Debtor agrees to provide such information, supplements, and other documents as Lender may from time to time require to supplement or amend such financing statement filings, in order to comply with applicable state or federal law and to preserve and protect the Lender's rights in the Collateral. The Debtor further grants the Lender a power of attorney to execute any and all documents necessary for the Lender to perfect or maintain perfection of its security interest in the Collateral, and to change or correct any error on any financing statement or any other document necessary for proper placement of a lien on any Collateral which is subject to this Agreement.

LANDLORD'S WAIVER. Upon request, Debtor shall furnish to Lender, in a form and upon such terms as are acceptable to Lender, a landlord's waiver of all liens with respect to any Collateral covered by this Agreement that is or may be located upon leased premises.

RELATIONSHIP TO OTHER AGREEMENTS. This Agreement and the security interests (and pledges and assignments, as applicable) herein granted are in addition to (and not in substitution, novation or discharge of) any and all prior or contemporaneous security agreements, security interest, pledges, assignments, mortgages, liens, rights, titles, or other interests in favor of Lender or assigned to Lender by others in connection with the Obligations. All rights and remedies of Lender in all such agreements are cumulative.

TAXES, LIENS, ETC. The Debtor agrees to pay all taxes, levies, judgments, assessments, and charges of any nature whatsoever relating to the Collateral or to the Debtor's business. If the Debtor fails to pay such taxes or other charges, the Lender, at its sole discretion, may pay such



charges on behalf of the Debtor; and all sums so dispensed by the Lender, including reasonable attorneys' fees, court costs, expenses, and other charges relating thereto, shall become a part of the Obligations and shall be payable on demand.

ENVIRONMENTAL HAZARDS. Debtor certifies that as to any real estate which has been, is now, or will be in the future owned or occupied by Debtor, that such real estate has not in the past, nor will now or in the future be allowed in any manner to be exposed to or contain hazardous or environmentally harmful substances as may be defined or regulated by any local, state or federal law or regulation which impacts, in any way, such substances, except to the extent the existence of such substances has been presently disclosed in writing to Lender, and Debtor will immediately notify Lender in writing of any assertion made by any party to the contrary. Debtor indemnifies and holds Lender and Lender's directors, officers, employees, and agents harmless from any liability or expense of whatsoever nature, including reasonable attorneys' fees, incurred directly or indirectly as a result of Debtor's involvement with hazardous or environmentally harmful substances as may be defined or regulated as such under any local, state or federal law or regulation or Debtor's ownership or occupation of any real estate upon which any hazardous or environmentally harmful substance is or was previously located.

PROTECTION OF COLLATERAL. Debtor agrees that Lender may, at Lender's sole option, whether before or after any event of default, and without prior notice to Debtor, take the following actions to protect Lender's interest in the Collateral: (a) pay for the maintenance, preservation, repair, improvement, or testing of the Collateral; (b) pay any filing, recording, registration, licensing, certification, or other fees and charges related to the Collateral; or (c) take any other action to preserve and protect the Collateral or Lender's rights and remedies under this Agreement, as Lender may deem necessary or appropriate from time to time. Debtor agrees that Lender is not obligated and has no duty whatsoever to take the foregoing actions. Debtor further agrees to reimburse Lender promptly upon demand for any payment made or any expenses incurred by Lender pursuant to this authorization. Payments and expenditures made by Lender under this authorization shall constitute additional Obligations, shall be secured by this Agreement, and shall bear interest thereon from the date incurred at the maximum rate of interest, including any default rate, if one is provided, as set forth in the notes secured by this obligation.

INFORMATION AND REPORTING. The Debtor agrees to supply to the Lender such financial and other information concerning its affairs and the status of any of its assets as the Lender, from time to time, may reasonably request. The Debtor further agrees to permit the Lender, its employees, and agents, to have access to the Collateral for the purpose of inspecting it, together with all of the Debtor's other physical assets, if any, and to permit the Lender, from time to time, to verify Accounts, if any, as well as to inspect, copy, and to examine the books, records, and files of the Debtor.

CROSS-COLLATERALIZATION. Debtor agrees that any security interest provided in Collateral under this Agreement or any Collateral provided in connection with any and all other indebtedness of Debtor to Lender, whether or not such indebtedness is related by class or claim and whether or not contemplated by the parties at the time of executing each evidence of indebtedness, shall act as Collateral for all said indebtedness. This cross-collateralization provision shall not apply to any Collateral that is/are household goods or a principal dwelling.

DEFAULT. The occurrence of any of the following events shall constitute a default of this Agreement: (a) the non-payment, when due (whether by acceleration of maturity or otherwise), of any amount payable on any of the Obligations or any extension or renewal thereof; (b) the failure to perform any agreement of the Debtor contained herein or in any other agreement Debtor has or may have with Lender; (c) the publication of any statement, representation, or warranty, whether written or oral, by the Debtor to the Lender, which at any time is untrue in any respect as of the date made; (d) the condition that any Debtor becomes insolvent or unable to pay debts as they mature, or makes an assignment for the benefit of the Debtor's creditors, or conveys substantially all of its assets, or in the event of any proceedings instituted by or against any Debtor alleging that such Debtor is insolvent or unable to pay debts as they mature (failure to pay being conclusive evidence of inability to pay); (e) Debtor makes application for appointment of a receiver or any other legal custodian, or in the event that a petition of any kind is filed under the Federal Bankruptcy Code by or against such Debtor and the resulting proceeding is not discharged within thirty days after filing; (f) the entry of any judgment against any Debtor, or the issue of any order of attachment, execution, sequestration, claim and delivery, or other order in the nature of a writ levied against the Collateral; (g) the death of any Debtor who is a natural person, or of any partner of any Debtor that is a partnership; (h) the dissolution, liquidation, suspension of normal business, termination of existence, business failure, merger, or consolidation or transfer of a substantial part of the property of any Debtor which is a corporation, limited liability company, partnership, or other non-individual business entity; (i) the Collateral or any part of the Collateral declines in value in excess of normal wear, tear, and depreciation or becomes, in the judgment of Lender, impaired, unsatisfactory, or insufficient in character or value, including but not limited to the filing of a competing financing statement; breach of warranty that the Debtor is the owner of the Collateral free and clear of any encumbrances (other than those encumbrances disclosed by Debtor or otherwise made known to Lender, and which were acceptable to Lender at the time); sale of the Collateral (except in the ordinary course of business) without Lender's express written consent; failure to keep the Collateral insured as provided herein; failure to allow Lender to inspect the Collateral upon demand or at reasonable time; failure to make prompt payment of taxes on the Collateral; loss, theft, substantial damage, or destruction of the Collateral; and, when Collateral includes inventory, accounts, chattel paper, or instruments, failure of account debtors to pay their obligations in due course; or (j) the Lender in good faith, believes the Debtor's ability to repay the Debtor's indebtedness secured by this Agreement, any Collateral, or the Lender's ability to resort to any Collateral, is or soon will be impaired, time being of the very essence.

REMEDY. Upon the occurrence of an event of default, Lender, at its option, shall be entitled to exercise any one or more of the remedies described in this Agreement, in all documents evidencing the Obligations, in any other agreements executed by or delivered by Debtor for benefit of Lender, in any third-party security agreement, mortgage, pledge, or guaranty relating to the Obligations, in the Uniform Commercial Code of the state in which Lender is located, and all remedies at law and equity, all of which shall be deemed cumulative. The Debtor agrees that, whenever a default exists, all Obligations may (notwithstanding any provision in any other agreement), at the sole option and discretion of the Lender and without demand or notice of any kind, be declared, and thereupon immediately shall become due and payable; and the Lender may exercise, from time to time, any rights and remedies, including the right to immediate possession of the Collateral, available to it under applicable law. The Debtor agrees, in the case of default, to assemble, at its own expense, all Collateral at a convenient place acceptable to the



Lender. The Lender shall, in the event of any default, have the right to take possession of and remove the Collateral, with or without process of law, and in doing so, may peacefully enter any premises where the Collateral may be located for such purpose. Debtor waives any right that Debtor may have, in such instance, to a judicial hearing prior to such retaking. The Lender shall have the right to hold any property then in or upon said Collateral at the time of repossession not covered by the security agreement until return is demanded in writing by Debtor. Debtor agrees to pay all reasonable costs of the Lender in connection with the collecting of the Obligations and enforcement of any rights connected with retaking, holding, testing, repairing, improving, selling, leasing, or disposing of the Collateral, or like expenses. These expenses, together with interest thereon from the date incurred until paid by Debtor at the maximum post-default rate stated in the notes secured hereby, which Debtor agrees to pay, shall constitute additional Obligations and shall be secured by and entitled to the benefits of this Agreement. The Lender may sell, lease, or otherwise dispose of the Collateral, by public or private proceedings, for cash or credit, without assumption of credit risk. Unless the Collateral is perishable or threatens to decline speedily in value or of a type customarily sold on a recognized market, Lender will send Debtor reasonable notice of the time and place of any public sale or of the time after which any private sale or other disposition will be made. Any notification of intended disposition of the Collateral by the Lender shall be deemed to be reasonable and proper if sent United States mail, postage prepaid, electronic mail, facsimile, overnight delivery or other commercially reasonable means to the Debtor at least ten (10) days before such disposition, and addressed to the Debtor either at the address shown herein or at any other address provided to Lender in writing for the purpose of providing notice. Proceeds received by Lender from disposition of the Collateral may be applied toward Lender's expenses and other obligations in such order or manner as Lender may elect. Debtor shall be entitled to any surplus if one results after lawful application of the proceeds. If the proceeds from a sale of the Collateral are insufficient to extinguish the Obligations of the Debtor hereunder, Debtor shall be liable for a deficiency. Lender shall have the right, whether before or after default, to collect and receipt for, compound, compromise, and settle, and give releases, discharges, and acquittances with respect to, any and all amounts owed by any person or entity with respect to the Collateral. Lender may remedy any default and may waive any default without waiving the default remedied and without waiving any other prior or subsequent default. The rights and remedies of the Lender are cumulative, and the exercise of any one or more of the rights or remedies shall not be deemed an election of rights or remedies or a waiver of any other right or remedy.

FUTURE ADVANCES AND AFTER-ACQUIRED PROPERTY. Future advances may be made at any time by the Lender under this Agreement to the extent allowed by law. The security interest grant contained in this Agreement also applies to any Collateral of the type(s) identified in this Agreement that the Debtor acquires after this Agreement is executed, except that no security interest attaches to after-acquired consumer goods unless the Debtor acquires rights in such goods within 10 days of Lender giving value. In anticipation of future advances by Lender, the Debtor authorizes Lender to file any necessary financing statements to protect Lender's security interest.

EXERCISE OF LENDER'S RIGHTS. Any delay on the part of the Lender in exercising any power, privilege, or right hereunder, or under any other document executed by Debtor to the Lender in connection herewith, shall not operate as a waiver thereof, and no single or partial exercise thereof or any other power, privilege, or right shall preclude other or further exercise thereof. The waiver by the Lender of any default of the Debtor shall not constitute a waiver of subsequent default.

CONTINUING AGREEMENT. This is a continuing agreement and the security interest (and pledge and assignment, as applicable) hereby granted and all of the terms and provisions of this Agreement shall be deemed a continuing agreement and shall remain in full force and effect until the Obligations are paid in full. In the event that Lender should take additional Collateral, or enter into other security agreements, mortgages, guarantees, assignments, or similar documents with respect to the Obligations, or should Lender enter into other such agreements with respect to other obligations of Debtor, such agreements shall not discharge this Agreement, which shall be construed as cumulative and continuing and not alternative and exclusive.

Any attempted revocation or termination shall only be effective if explicitly confirmed in a signed writing issued by Lender to such effect and shall in no way impair or affect any transactions entered into or rights created or liabilities incurred or arising prior to such revocation or termination, as to which this Agreement shall be truly operative until same are repaid and discharged in full. Unless otherwise required by applicable law, Lender shall be under no obligation to issue a termination statement or similar document unless Debtor requests same in writing, and providing further, that all Obligations have been repaid and discharged in full and there are no commitments to make advances, incur any obligations, or otherwise give value.

ABSENCE OF CONDITIONS OF LIABILITY. This Agreement is unconditional. Lender shall not be required to exhaust its remedies against Debtor, other collateral, or guarantors, or pursue any other remedies within Lender's power before being entitled to exercise its remedies hereunder. Lender's rights to the Collateral shall not be altered by the lack of validity or enforceability of the Obligations against Debtor, and this Agreement shall be fully enforceable irrespective of any counterclaim which the Debtor may assert on the underlying debt and notwithstanding any stay, modification, discharge, or extension of Debtor's Obligation arising by virtue of Debtor's insolvency, bankruptcy, or reorganization, whether occurring with or without Lender's consent.

NOTICES. Any notice or demand given by Lender to Debtor in connection with this Agreement, the Collateral, or the Obligations, shall be deemed given and effective upon deposit in the United States mail, postage prepaid, electronic mail, facsimile, overnight delivery or other commercially reasonable means addressed to Debtor at the address designated at the beginning of this Agreement, or such other address as Debtor may provide to Lender in writing from time to time for such purposes. Actual notice to Debtor shall always be effective no matter how such notice is given or received.

WAIVERS. Debtor waives notice of Lender's acceptance of this Agreement, defenses based on suretyship, and to the fullest extent permitted by law, any defense arising as a result of any election by Lender under the Bankruptcy Code or the Uniform Commercial Code. Debtor and any maker, endorser, guarantor, surety, third-party pledgor, and other party executing this Agreement that is liable in any capacity with respect to the Obligations hereby waive demand, notice of intention to accelerate, notice of acceleration, notice of nonpayment, presentment, protest, notice of dishonor, and any other similar notice whatsoever.



WAIVER OF JURY TRIAL. All parties to this Agreement hereby knowingly and voluntarily waive, to the fullest extent permitted by law, any right to trial by jury of any dispute, whether in contract, tort, or otherwise, arising out of, in connection with, related to, or incidental to the relationship established between them in this Agreement or any other instrument, document or agreement executed or delivered in connection with this Agreement or the Related Documents.

WAIVER OF PREJUDGMENT REMEDY. Debtor voluntarily and knowingly, hereby waives all rights of notice and hearing in connection with the obtaining by Lender/Beneficiary of any prejudgment remedy, as allowed under Chapter 903A of the Connecticut General Statutes.

JOINT AND SEVERAL LIABILITY. To the extent permitted by law, each Debtor executing this Agreement is jointly and severally bound.

SEVERABILITY. Whenever possible, each provision of this Agreement shall be interpreted in such manner as to be effective and valid under applicable law; but, in the event any provision of this Agreement shall be prohibited by or invalid under applicable law, such provision shall be ineffective to the extent of such prohibition or invalidity and shall be severed from the rest of this Agreement without invalidating the remainder of such provision or the remaining provisions of this Agreement.

SURVIVAL. The rights and privileges of the Lender hereunder shall inure to the benefits of its successors and assigns, and this Agreement shall be binding on all heirs, executors, administrators, assigns, and successors of Debtor.

ASSIGNABILITY. Lender may assign, pledge, or otherwise transfer this Agreement or any of its rights and powers under this Agreement without notice, with all or any of the Obligations, and in such event the assignee shall have the same rights as if originally named herein in place of Lender. Debtor may not assign this Agreement or any benefit accruing to it hereunder without the express written consent of the Lender.

GOVERNING LAW. This Agreement has been delivered in the State of Connecticut and shall be construed in accordance with the laws of that state.

HEADINGS AND GENDER. The headings preceding text in this Agreement are for general convenience in identifying subject matter, but have no limiting impact on the text which follows any particular heading. All words used in this Agreement shall be construed to be of such gender or number as the circumstances require.

MISCELLANEOUS. Time is of the essence of this Agreement. Except as otherwise defined in this Agreement, all terms herein shall have the meanings provided by the Uniform Commercial Code as it has been adopted in the state of Connecticut. All rights, remedies, and powers of the Lender hereunder are irrevocable and cumulative, and not alternative or exclusive, and shall be in addition to all rights, remedies, and powers given hereunder or in or by any other instruments or by the provision of the Uniform Commercial Code as adopted in the state where the Lender is located, or any other laws, now existing or hereafter enacted. The Debtor specifically agrees that, if it has heretofore or hereafter executed any loan agreement in conjunction with the Agreement, any ambiguities between this Agreement and any such loan agreement shall be construed under the provisions of the loan agreement, to the extent that it may be necessary to eliminate any such ambiguity. Debtor releases Lender from any liability which might otherwise exist for any act or omission of Lender related to the collection of any debt secured by this Agreement or the disposal of any Collateral, except for the Lender's willful misconduct.

ORAL AGREEMENTS DISCLAIMER. This Agreement represents the final agreement between the parties and may not be contradicted by evidence of prior, contemporaneous or subsequent oral agreements of the parties. There are no unwritten oral agreements between the parties.

ACKNOWLEDGMENT. Debtor acknowledges agreeing to all of the provisions in this Agreement, and further acknowledges receipt of a true and complete copy of this Agreement.

IN WITNESS WHEREOF, Debtor has executed this Agreement on the date and year shown below.

The Third Taxing District of the City of Norwalk

By: Kevin Barber Date
Its: General Manager

LENDER: Patriot Bank, N.A.

By: Paul W. Gehr Date
Its: Sr. Vice President



**AUTHORIZATION AGREEMENT FOR DIRECT
PAYMENTS**

Patriot Bank, N.A.
900 Bedford Street
Stamford, Connecticut 06901
(203)252-5900

AGREEMENT DATE		
May 6, 2021		

ACCOUNT HOLDER INFORMATION

The Third Taxing District of the City of Norwalk
2 Second St
Norwalk, CT 06855

DEBIT ORIGINATOR ("Company")		RECEIVING DEPOSITORY FINANCIAL INSTITUTION ("RDFI")	
Patriot Bank, N.A. 900 Bedford Street Stamford, CT 06901		Patriot Bank, N.A. 900 Bedford Street Stamford CT 06901 Branch: Commercial Lending Institution Routing Number: 021112935	
LOAN NUMBER	PAYMENT TYPE	DEBIT ACCOUNT NUMBER	ACCOUNT TYPE
9189462478	Loan Payment	540500915	Checking/DDA
INITIAL AMOUNT	FREQUENCY		
Amount will Vary	Payments to begin June 1, 2021, and continue every month thereafter , until the ending date of April 1, 2022.		

DEFINITIONS. The terms "you" and "your" refer to the Account Holder(s). The "Company" is the Debit Originator. The "RDFI" is the financial institution that will post the debit entry to your account.

RDFI RESPONSIBILITY. The RDFI is responsible only for performing the services expressly provided for in this Authorization. The terms, conditions, and limitations of liability that govern this Authorization are stated in the Account Agreement account holder received at account opening.

PAYMENTS OF VARYING AMOUNT. This Authorization allows Company to automatically adjust the transfer amount. The method of determining the amount of such payments is detailed in the loan documents provided to you.

NOTICE. You have the right to receive notice at least ten (10) days before the scheduled date of payment when the payment amount will vary from the previous payment under this authorization.

REVOCATION. This Authorization will remain in full force and effect until Company has received written notification from you of its termination. You must provide notification to the Company, and the Company must receive your request at least 15 business days prior to the scheduled payment. To revoke a preauthorized debit:

Call: (203)252-5970

OR

Write to: 900 Bedford St, Stamford, Connecticut 06901

AUTHORIZATION. Account holder authorizes the Company to initiate debit entries to their account at the RDFI, and to debit the same to such account. Account holder acknowledges that the origination of ACH transactions to the account must comply with the provisions of U.S. law.

The Third Taxing District of the City of Norwalk

By: Kevin Barber
Its: General Manager

Date



**ERROR AND OMISSIONS COMPLIANCE
AGREEMENT**

Patriot Bank, N.A.
900 Bedford Street
Stamford, Connecticut 06901
(203)252-5900

LOAN NUMBER	DATE	
9189462478	May 6, 2021	

BORROWER INFORMATION

The Third Taxing District of the City of Norwalk
2 Second St
Norwalk, CT 06855

LENDER. "Lender" means Patriot Bank, N.A. whose address is 900 Bedford Street, Stamford, Connecticut 06901, its successors and assigns.

BORROWER. "Borrower" means each person or legal entity identified above in the BORROWER INFORMATION section who signs this Agreement.

In consideration of all loans and other financial accommodations from Lender to Borrower, the undersigned hereby agree that if requested by Lender or Closing Agent for Lender to fully cooperate and adjust for clerical errors, any or all loan closing documentation if deemed necessary or desirable in the reasonable discretion of Lender.

The undersigned agree to comply with all above noted requests by Lender within 30 days from date of mailing of said requests. The undersigned agree to assume all costs including, by way of illustration and not limitation, actual expenses, legal fees, and marketing losses for failing to comply with correction requests in the above noted time period.

The undersigned do hereby so agree and covenant in order to assure that this loan documentation executed this date will assure marketable title in the said Borrower.

By signing this Error and Omissions Compliance Agreement, each Borrower acknowledges reading, understanding, and agreeing to all its provisions.

The Third Taxing District of the City of Norwalk

By: Kevin Barber
Its: General Manager

Date

